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WRITINGS and SPEECHES

OF

HON. RAO BAHADUR G. V. JOSHI, B. A.

(Late Additional Member of the Bombay Legislative Council)

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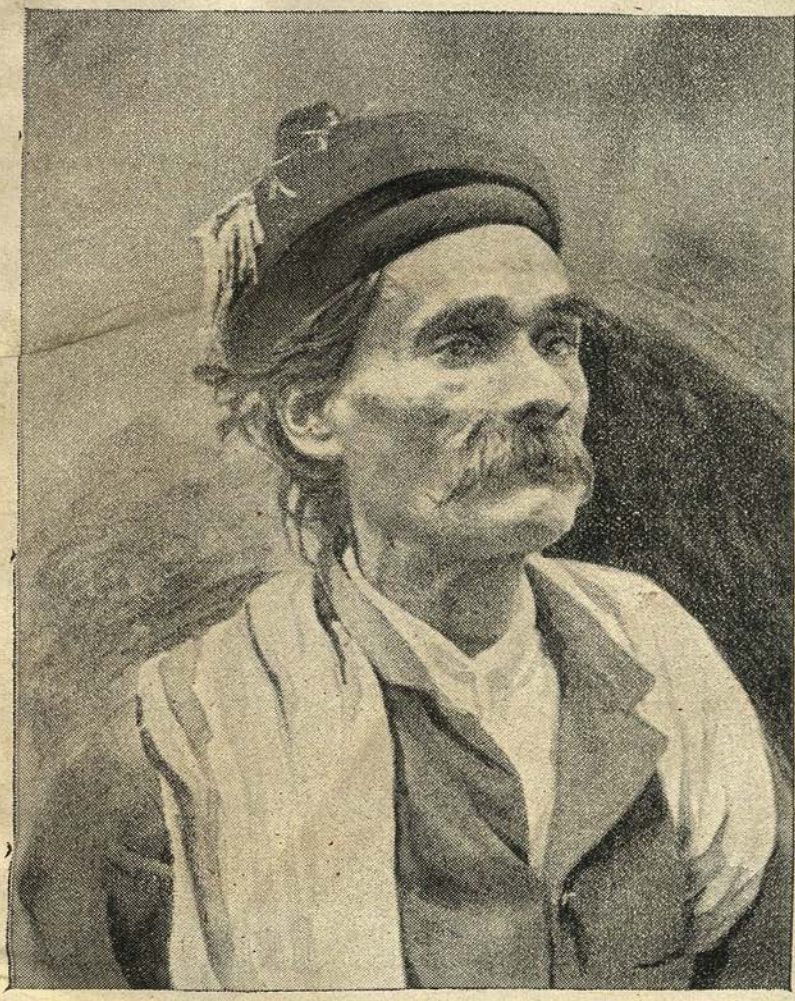

Born
9th June 1851.

G. V. Joshi
Hd Master
Satara High School

Died
20th May 1911.

PUBLISHER'S NOTE.

The period of the late Hon. R. B. Ganesh Vyankatesh Joshi's close survey of Indian public questions extends from 1880 to 1911, for over thirty years. Mr. Joshi freely contributed to the Press *the results of his study of almost all the important questions that* arose during this period. It was his wish to collect together and publish all his contributions, but the cruel hand of death, which snatched him away all of a sudden on 20th May 1911, put an end to the idea. The fulfilment of this wish rested on me as a filial duty; and encouraged by the advice of Hon. Mr. G. K. Gokhale C. I. E. and Mr. Joshi's other friends—especially, Mr. N. C. Kelkar B. A. LL. B.—I undertook the task of publishing a collection of all his writings and speeches. I must here state that Hon. Mr. Gokhale has rendered invaluable assistance towards the publication of this work; in fact, but for his help the book would not have seen the light of day as promptly as now. As for the writings, no change whatsoever has been made in these or in the speeches. Where the figures seemed to disagree as *e. g.* in the totals, a foot-note has been added expressing doubt, as it seemed almost an impossible task to verify the whole of the statistical data. I have tried to make the collection as exhaustive as possible, though, after the book was in the press, I have been made aware that there are some more writings which could be included in the volume. The best plan would, to my mind, however, be to reserve these for the second edition. My thanks are due to the *Arya-Bhushan* Press for their promptness in issuing the book. I must also here thank Mr. R. K. Joshi M. A. for his labours in going over the proof-sheets and seeing the work through the press.

Shanwar Peth,
Poona,
July 1912.

Dinkar Ganesh Joshi.

LIFE-SKETCH.

The following is a short sketch of the life and character of the Hon. R. B. G. V. Joshi :—

Mr. Joshi was born at Miraj on the 9th June 1851. The family is known as the Utturkar family in that province, as it held hereditary lands in the village of Uttur in the Inchalkaranji State. Mr. Joshi's ancestors came up from Varoda in the Ratnagiri District, and settled at Uttur towards the close of the eighteenth Century. The Patwardhan Sirdars then ruling over that part of the country conferred a grant of lands on the Joshi family in order that it should settle at Uttur and look to the religious wants of the village as Vaidic Brahmins. Mr. Joshi's grand-father Ballal Raghunath was in the Military Service of the Patwardhan Sirdars. In 1818 Ballal Raghunath was sent by the Patwardhan Sirdars to Poona to render military aid to Bajirao, the last Peishwa; and in the conflict which subsequently ensued between the Peishwas and the British, he took no small part. From Ballal Raghunath's time, the Joshi family settled at Miraj. Mr. Joshi's father was the Treasury Officer of the Miraj State, and during his career was known for the straightforwardness of character.

Mr. Joshi commenced his education in the Vernacular School at Tasgaon. After learning the Marathi alphabet under the Tatya Pantoji of Tasgaon, Mr. Joshi was sent to Kolhapur to complete his Marathi fourth standard. From Kolhapur he came to Miraj and joined the English School there. Studying at Miraj for some years, he joined the Poona High School in the candidate class, then under Mr. Jacob as the Head Master. He passed the Matriculation with Marathi as his second language when Mr. Krishna Shastri Chiplunkar (father of the Late Mr. Vishnu Shastri) and Mr. Candy were the examiners for Marathi. Mr. Joshi thereafter joined the Elphinstone College of Bombay in 1870. He began to learn Sanskrit only after joining the College, and within one year made up the subject to the required standard and got through the Examina-

tion. He passed the B. A. in 1873, with Logic and Moral Philosophy, and History and Political Economy as his optional subjects. He was known for proficiency in his studies and throughout his collegiate career held various scholarships. Learning under Professor Wordsworth, he imbibed the qualities of thoroughness and perseverance which marked him throughout his future life. In the B. A. he stood first in Logic; the examiner was so satisfied with his answers that he thought he should give Mr. Joshi full marks, but lest he should transgress the leading fashion of his colleagues, he deducted a few marks on the ground of bad hand-writing. After his graduation, Mr. Joshi studied for his M. A., but as he had not taken the B. A. degree, he was not allowed to appear for the Examination. Thereafter Mr. Joshi joined the Ahmednagar High School as a teacher on a salary of 100 Rs. After four months, owing to a misunderstanding between himself and the Head-master and also domestic complications, he had to resign his post at Ahmednagar. Mr. Joshi thought of settling at Miraj after his father's death a few days later. But owing to family circumstances he was obliged to seek service afresh. He had not to wait long. He joined again the Educational Department as a teacher in the High School at Nasik. He subsequently served at Ratnagiri, and Bombay, and was appointed Vice-Principal of the Training College at Poona. From Poona he was posted to Sholapur as Head-Master of the High School in 1890. He worked at Sholapur for eight years. In 1897 the plague broke out at Sholapur in all its virulence and Government opened out its operations in vigour. Mr. Joshi voluntarily took up plague-work as a Ward-Inspector under a European Plague Officer. A tussel ensued between the Officer and Mr. Joshi who was always self-respectful and straight in his dealings. Mr. Joshi stuck to his guns and reported the incident to the higher quarters, with the result that the European Officer had to apologise for his over-bearing conduct. Thereupon Mr. Joshi was appointed Superintendent of the Potepur Plague Camp. In 1898 the Bombay Government conferred on him the title of Rao Bahadur, and also issued an appreciatory Press Note, in recognition of the valuable services rendered by him during the

plague epidemic at Sholapur. From Sholapur Mr. Joshi was posted to Nasik, from thence to Satara, and in 1904 was appointed Head-Master of the Poona High School. After eighteen months' service at Poona, he was again posted to Satara. After serving at Satara for a few months, Mr. Joshi retired by the end of March, 1907, after having put up thirty years' service in the Educational Department. After retirement, he lived at Poona till his death on 20th May 1911.

In his habits Mr. Joshi was simple and regular. An early riser, he used to get up daily at 4 in the morning, take his bath, perform Sandhya and religious observances. He used to go for a morning walk almost invariably. A devotee of God Ganapati, he never took his food without worshipping Ganapati and offering the *Durvas*. After his morning walk he used to read till meal time, for office-work. After office hours, he used to take a long walk in the evening. His food was simple and frugal. In the evenings he used to read papers, blue-books, and other works till late at night. Besides School-work, reading and writing occupied nearly 7 hours of his daily programme, which he carried out with all the energy and care of a regular student till his last day. The works of Sanskrit poets and the Puranas, the writings of the Saints of Maharashtra, specially Ramdas and Tukaram, the study of the Upanishads and the Rigveda afforded to Mr. Joshi valuable recreation in his political, economical, and statistical studies. Often-times his studies so deeply engrossed him that he had to be called up to sleep, meals, or office-hours. He was so steeped in Hindu traditions and Sanskars that the waters of the rivers, Ganges, Krishna, Indus, Goda were to him the holy of holies, and he drank them with the avidity of a pucca orthodox Hindu. He had faith in Hindu religion, Hindu institutions and the Hindu social fabric. His way of life may be summed up in one word, *viz.* that of an ideal *Student*, with all his detachment, perseverance, and ardour.

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A NOTE ON RETRENCHMENT.

In any country, and under any circumstances, economy in administration must be a desideratum and a necessity, but in none can it be more imperatively so than in India where, under the peculiar conditions of British rule, it is essential to the material and moral progress of the nation that the weight of public burdens should be as light as possible.

Among the *determining* features of our present financial situation, which call for rigorous economy, may be mentioned the following:—

(*a*) The progress of Russia in Asia, which, involving as it does a complete change in the position of Central Asian politics, imposes upon the Government of this country the necessity for greater Military preparedness in view of possible eventualities, and consequently for larger expenditure than hitherto on our system of internal and frontier defences.

(*b*) The fall of silver—which renders heavier and heavier, as it proceeds, the drain on our resources for meeting our gold obligations abroad.

(*c*) A complete movement of taxation from *indirect* to *direct* carried out in this country under the fiscal measures of the last 15 years,—a movement which makes further taxation highly inexpedient; for, under it, the burden of public taxes mainly falls on the producer, who, however, can not, under the existing Free Trade conditions of the Indian Market, pass on any part of his burden to the consumer and is thus, in a measure, handicapped in the race with the foreigner.

Thus, though the condition of our Finances is embarrassing, there is, we submit, little in it to justify panic and the adoption of measures based upon it. For we believe, that the crisis can be tided over with ordinary care and prudence and without resort to such drastic remedies as curtailment of "*necessary* and *desirable*" expenditure with the eventual result of stoppage or retardation of progress, as foreshadowed in the Government of India's Resolution of February last appointing the Finance Committee.

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* This paper was contributed to the Journal of the Poona Sarvajanik Sabha in 1886-87.

Economies,—in whatever directions contemplated,—must be, to be permanent and useful, compatible with both Progress and Efficiency. Retrenchments carried out under the influence of panic or actual stress of War or Famine, can, at the utmost be only provisional. Large reductions, for instance, effected in Public Works expenditure by Lord Lytton's Government in 1878 and 1879 to meet the pressure of the Afgan War, with a total resultant saving of a million and a half, vanished away with the stress of the crisis, and that item of Imperial expenditure rose in a year or two following, almost at a bound, not only to its old level but a good deal higher. We, therefore, sincerely hope that the unbecoming sentiment, which breathes through the Government of India's Resolution above referred to, and which is unjustifiable under the circumstances, will meet with no responsive echo in the country and will not influence the deliberations of the Finance Committee.

Besides, our present high level of expenditure, as compared with the demands of the Public Service, is due to the concurrent action of a variety of causes, some of which, being only temporary in their nature, have either already ceased or are fast ceasing to have much operative force. Consequently, a good deal of such expenditure, however necessary and useful in the circumstances of a generation ago, is now a needless waste of Public Funds, just as the expenditure of to-day will *possibly* involve a considerable waste a generation hence. Measures of retrenchment, therefore, in respect of expenditure fixed and settled in the first years of conquest and amidst difficulties of imperial consolidation and administrative organization,—undertaken in view of the altered conditions of to-day,—far from amounting, in our opinion, to any confession of extravagance or careless waste in the past,—appear to us to be only necessary measures of revision and reform, such as every well-ordered and prudent Government is bound to carry out in the interests of economy from time to time.

The question of retrenchment, therefore, resolves itself, to our thinking, into one of general administrative reform, and may be stated thus:—

Whether it is possible to revise, in the altered circumstances of the day, the existing administrative arrangements of the Empire, planned, constructed, and elaborated more than two generations since, to meet conditions and necessities which are no longer existent,—so as to secure a permanent reduction of expenditure without sacrifice of progressive efficiency, and if so, in what directions such revision can be carried out.

Apart from considerations of financial pressure or necessity, we are of opinion that the time is come for such periodical revision of public expenditure, and we hold that such revision, if loyally carried out, will give the country a saving large enough not only to enable the Government to get over the present crisis, but to afford even a substantial relief to the Indian taxpayer, particularly in respect of that monstrous impost—the Salt Tax—which weighs so oppressively and cruelly on the half-fed, starving agricultural and labouring classes in the Empire.

The chief causes of our present high scale of expenditure which is so much in excess of our present requirements, may, we think, be ranged under four heads :—

(1) Initial difficulties of administrative organization, incidental to the early years of conquest and imperial settlement.

(2) Special needs of special situations.

(3) Historic fictions—originating in historic facts and conditions long since past.

(4) Mistakes of policy, resulting in serious mistakes of plan involving a large waste of energy and funds.

A few words by way of illustration in connection with each of these heads will, it is hoped, suffice for the purposes of this Note.

(I) As due to the first of the foregoing groups of causes may be mentioned :—

(*a*) In the matter of revenue administration, the establishment of a double machinery of intermediate supervision, as represented by Revenue Boards and Divisional Commissionership,—which still exist in Bengal and the North West Provinces, though their appointed work has long since been complete—and also a stronger administrative staff for district executive work than seems now necessary ;

(*b*) The creation and continued maintenance of special centralized departments, with a view to proper organization, in respect of branches of the Public Service, such as Forest, Abkari, Salt, Sanitation, Agriculture &c.,—branches which properly appertain, and ought to be handed over, to the District Executive Administration, now that they have been thoroughly organized, and which can, after this initial stage, be in our

opinion managed with greater advantage to the State and with more convenience to the people, by the local authorities than under central departmental direction.

(II) As to the next head of causes—*special exigencies*, —we might mention :—

(*a*) Famine relief,—to which, for instance, was due the creation of a third Divisional Commissionership in Bombay in 1875–76.

(*b*) Difficulties of communication in the absence of railways and roads and canals which, in the first years of conquest, not only added enormously to the difficulties of administration, but led, for purposes of effective supervision which was in those circumstances as essential to administrative success as it was difficult, to the constitution, in almost every branch of the administration, of a supervising staff far stronger than the interests of the Public Service now appear to require in the altered and settled condition of things. In some Departments we have a double or even a triple machinery of *intermediate* supervision. Thus between the Secretariat and the Local Executive we find :—

In Madras,—in the Department of *Public Works ordinary*, the supervising establishment is classed and graded as follows :—(1) Chief Engineers in three classes; (2) Superintending Engineers, one class in 3 grades. The Chief Engineer is assisted in the central office by a Deputy Chief Engineer ;

In North India,—in the *Forest* Department, while the Sub-Assistant Conservators and Forest Rangers are "the real Executive Officers" (as Mr. Cotton very appropriately observes in his Report, page 203), the "Superior" or supervising staff is composed of Conservators, Deputy Conservators, and Assistant Conservators—numbering in all more than 100, exercising intermediate supervision over the work of the subordinate establishment, subject to the control of the Inspector-General who is the Departmental Chief;

In Bombay,—in *Vaccination*, while real work is done by about 380 Vaccinators, we have 10 Superintendents and 27 Assistant Superintendents over them, themselves acting under a Superintendent-General.

Such a machinery of *intermediate* supervision can surely be curtailed and simplified in the interests of economy without any noticeable loss of efficiency, in view of the present great facilities of communication and of the thorough organization of the Services in the lower grades.

(*c*) Expenditure on an exorbitant scale in Public Works ordinary. At a time when the very material apparatus of civilized and progressive administration was wanting in the country, a large annual expenditure on civil and military works was inevitable; but now after about 259 millions sterling have been spent on these during the last 40 years, the necessity for continued outlay in future years, on the same or even larger scale, is justly open to question. Similarly, Public Works establishments,—both executive and supervising—organized to meet the heavy pressure of work in the first years of conquest, are now far stronger than the country requires, and cost "not less than £500,000 a year more than was necessary for the expenditure on ordinary and on productive Works which had to be carried on." (*Vide* Sir J. Strachey's Financial Statement, February 24th, 1880, page 28, para 99). Reductions carried out since that declaration of the Finance Minister have been more apparent than real, for while "permanent" establishments have been slightly curtailed, "temporary" ones exhibit a corresponding or even greater increase.

(*d*) Absence—real or supposed—of trained talent in the country, necessitating a large import of foreign and costly agency in respect of such Services, particularly, Forest, Medical, Sanitation, Survey &c. As due to the same circumstance is the maintenance of the Royal Civil Engineering College at Cooper's Hill in England, for the supply of trained Engineers for the Indian service at a cost of £20,200. Now, however, when we have strong and flourishing Civil Engineering Colleges in India and, besides, can procure what supply of Engineers we want for our present wants from England, from among Officers of "Royal Engineers [local cadres and home corps] and Stanley Engineers," it does seem a waste of funds to support such an establishment in England,—*not in India*. Further,

the supply of Engineers that is coming year after year from this source is simply embarrassing. Sir J. Strachey said in 1880:—"Our Public Works establishments are still larger than they ought to be, and the constant supply of young Engineers that flows in from Cooper's Hill, will, *if it be not speedily stopped, prove a cause of renewed embarrassment and of useless and serious expense.*" [*Vide* Financial Statement, February 14, 1880, p. 29, para 180.] (The italics are ours.) At or about that time over 390 engineers were induced to retire with large gratuities—at a cost close on half a million—a fact which speaks for itself, and yet the Cooper's Hill College is still supported by Government !

(*c*) Distrust of Native Agency,—a feeling to which is directly due the fact that our supervising staffs in almost all departments are composed of European officers. The superior grades of both the Civil and Military Services are wholly manned by Europeans, and even in the *uncovenanted* civil branches of the Service, declared by successive Secretaries of State for India as reserved for native ambition, the proportion of European officers to native is as "4 to 1" [*Vide* Parliamentary Return]. Nor is the state of things any way better in the Non-Regulation Provinces where there is no close "Civil Service." This sentiment of distrust, however excusable in the first generation of alien rule, seems now in these days weak and unworthy and is assuredly out of date at a stage of the country's progress at which better relations between the rulers and ruled ought to exist.

(III) Coming to the third head of causes, namely, *historic fiction*,—as due to the historic fact of the co-ordinate growth of the three Presidencies, we have:—

(*a*) *Army*—The Presidential Commands, maintained at a needless charge of about a million sterling as estimated by the Army Commission. The Army is, specially and practically, an Imperial service under central management and control. The Presidential armies, once resting on an independent footing, are now gone as separate local units, but the Provincial Commands still remain, a burden to the Treasury. Thus

we now have the shadow without the substance, costing no less than a million sterling.

(*b*) *Post*—The three Presidential Central Post Offices, each under a Post Master-General, kept up as a relic, —though a costly relic,—of a system no longer existent. The service is now an Imperial service, but the fiction remains of its once having been a Provincial service under Provincial direction, and costs us for nothing a pretty large sum of a lac of rupees per annum.

(*c*) *Coinage*—This, like the two preceeding Services, ought to be a strictly Imperial service. And yet, where one Imperial mint located in the commercial metropolis of the Empire ought to have sufficed, we had three mints in the three Presidencies down to 1869, in which year the Madras mint was closed for want of business. We have still two—one at Calcutta and one in Bombay,—of which the Calcutta mint scarcely pays its way, but is admittedly kept up, though at no slight cost, in deference to the sentimental susceptibilities of the political capital of the Empire [*Vide* Evidence before the Parliamentary Finance Committee]. The abolition of the Calcutta mint would give us a saving of about 5 lacs per year without causing any the slightest real inconvenience to the commercial public.

(IV) Our fourth and last head of causes of the present abnormal growth of expenditure is "Mistakes of Policy, resulting in Mistakes of Plan." As it is not given to any Government in the world, however enlightened (if we, of course, except the Papacy of Rome), least of all to a foreign Government, to be perfect and infallible, it was inevitable that mistakes of policy, and serious mistakes too, should occur in the first years of conquest, due in a large measure to want of experience, want of local acquaintance or guidance, and to the absence of independent light from popular sources. But now, when they are pointed out by experience and by the voice of public opinion, there is no excuse for clinging to them through conservative aversion to change. It would be enough now to refer to two such:—

(*a*) [A wrong military policy,—founded in distrust and suspicion,—which, while it neglects to utilize the military talents of the gifted races of the Deccan and the N.

W. Provinces and to enlist, in the cause of national defence, the *active* co-operation of the higher and upper classes in the country by opening out worthy careers for their ambition in the service, seeks to augment the military strength of the Empire by adding *ad infinitum* to the standing army of the country, rather than by endeavouring to nationalise and increase the *expansibilitiy* of our army organization.] The increase in our army charges from 14 to close upon 21 millions sterling i. e. full 50 per cent, since the mutiny years of 1857-58, is a circumstance which shows more than any thing else the disastrous influence of this mistaken military policy, founded in distrust and mis-apprehension—distrust of native loyalty, and mis-apprehension of the permanent demands of national defence,—upon the finances of the Empire. A blind and reckless continuance of it would alone neutralize the effect of economies in all other directions. A reform of policy in this most important matter of army organization is, in our opinion, demanded in the interests of economy no less than for the sake of national security and safety.

(*b*) The present fiscal policy in relation to salt. revenue is another instance of costly error of policy. The consumption of the article is taxed for revenue purposes not by taxing the *sources* of supply but by controlling or rather virtually monopolizing those sources. The normal conditions of supply and demand are thus reversed, the supply not depending upon the effective demand for the commodity, but the demand,—strange as it may appear—being *determined and limited* by the supply. The Government is the supplier, but the sources of manufacture are so contracted and concentrated for effective supervision and for preventing smuggling &c., that the supply usually *falls short of the demand*; and no better proof is needed of this state of things than the fact (*Vide* Cotton's Report, page 163) that the price of the article at the auction sales on the margin of the Sambhar lake in North India is on an average 8*d*. per maund or 2½ *d. above the cost price.* The frequent necessity of raising the price of salt at these Government sources of manufacture is also strong evidence of the same circumstance. Only last year, not to go further back, the supply was a good deal short of the demand at the Sambhar Lake and resulted

in a considerable loss of revenue. On this point, Sir A. Colvin said in his Financial Statement of March last that "the decrease under India general and the increase in Bombay are due to the same cause, *viz.*, the raising of the price of salt at Sambhar from 2½ annas to 8 annas a maund (*i. e.* three times the cost price) in order to prevent exhaustion of the stock in hand. The stock in hand was very low owing to an unfavourable season for manufacture in 1884–85. The raising of the price led to a reduction in the consumption of Sambhar salt;" and we would say, of other salt as well, and the loss of duty, due to diminished consumption caused by diminished supply, is estimated at 50 lacs. In taxing salt Government controls its manufacture as a monopolist. It works its sources of supply according to its own administrative convenience by concentrating and thereby contracting them according to its own measure of the demand for the article. Practically, the market is often *under-supplied*, the imports even when thus forced up not making up for deficiency of home production; and thus, the supply, acting through the "sliding scale" of prices, measures and limits the demand. The loss to the treasury owing to this reversal of the laws of Political Economy,—not to speak of the cruel hardship to the people, involved in this shortness of supply in the matter of this "prime necessary of life"—cannot of course be accurately estimated, but looking to the almost indefinite *expansibility* of effective demand for salt, we might put it down at a million or two a year. Secondly, the cost price of salt under the present system of Government monopoly, is full 5½*d.*, whereas it cannot exceed under careful private management 2 or 2½*d.* per maund; the difference marking the wastefulness of the Government system under which the stipendiary agency employed can possibly have no motive for economy and care, the stimulus of self-interest being wholly absent. Thirdly and lastly, the charges of collection amount to over 8 p. c., whereas, under better arrangements, they cannot be more than 2 or 4 p. c.

For these and other reasons, the present salt-policy seems to us to be a costly mistake, causing,—in respect of needless expenditure as well as loss of net

revenue—a total loss to the treasury to the extent of between 2 and 3 millions. Here is room for reform and retrenchment.

Such briefly, are some of the leading causes of our present expenditure, and they are either preventible, like errors of policy, or are losing their operative force, such as difficulties of supervision. It seems, therefore, only reasonable that a revision of our expenditure in recognition of the fact, founded on the basis of administrative reforms of system and plan, should be carried out, in view of the present embarrassed condition of the national finances which demands a rigorous enforcement of economy.

With this short introduction, we shall proceed to suggest, with our small and imperfect lights, in what direction such a revision of our expenditure seems practicable and safe, repeating that the question of retrenchment now before the Finance Committee is essentially a question of administrative reform with a view to economy, and not one of hard necessity or financial pressure, justifying a resort to measures of panic and haste, likely to be injurious to the best interests of the country.

We shall begin with the Executive branch of the Civil Administration. On the following page is quoted a table showing the strength of the administrative staff, as distributed according to Provinces.

[*N. B.* The Provinces are classed under 3 heads :—Regulation, Non-Regulation, and Scheduled Non-Regulation. But of the "Non-Regulation" provinces it should be noticed that they are now so, more in administrative nomenclature than in legal reality, because (1) since 1861 they have been brought under the general system of Indian Legislation, and (2) the union of administrative and judicial duties is being fast removed by the constitution of a separate judiciary. The "Scheduled" districts also are now "Non-Regulation" tracts for administrative purposes.]

Province.	Legal Status.		Area in Sq. miles.	Population (census 1881)	Revenue £.			Administrative staff.				
								Supervising.		Executive.		
					Land, including cesses.	Other.	Total.	Boards or Commissioners.	Divisional officers.	Collectors or Deputy Commissioners.	Assistant Collectors and Asst. Commissioners.	Total.
					£	£	£					
Madras	Regulation-	Regulation Provinces.	138,800	31,170,631	5,130,004	5,978,291	11,108,295	Board.	...	21	96	117
Bombay.....	Regulation.		77,500	14,040,591	2,916,089	9,248,126	12,164,215*	.....	3	18	74	92
N. W. Provinces.	Regulation.		81,700	32,720,128	5,053,468	445,174	5,498,642	Board.	7	35	110	145
Bengal	Regulation.		158,200	66,691,456	3,733,872	14,791,081	18,524,953	Board.	9	44	124	168
Punjab	Non-Reg.	Non-Reg. in administrative nomenclature only.	105,000	18,850,437	2,302,359	1,773,437	4,075,796	Financial Commissioner.	10	32	97	129
Oude	Non-Reg.		24,000	11,387,741	1,520,068	170,017	1,690,085	.....	4	12	35	47
Central Provinces.	Non-Reg.		84,000	9,838,791	647,345	651,790	1,299,135	.....	4	18	30	48
Assam.....	"Scheduled" Non-Reg.	Non-Reg. in reality and in name.	45,300	4,881,426	383,544	374,961	758,505	.....	1	11	21	32
Sind	"Scheduled" Non-Reg.		46,600	2,413,823	680,022	.....	.....	.....	1	5	12	17

* Including Sind.

Looking first to the supervising branch of the administrative staff,—which acts as an *intermediate* agency of supervision between the Secretariat of the central Government and the local executive administration,—we find that it is differently constituted in different provinces. In Bengal and the N. W Provinces we have the dual machinery of Boards and Commissioners; in the Punjab, there is a Financial Commission, instead of a Board, to supervise the work of Divisional officers who in turn act as Superintendents in respect of the local Executive; in Madras, we have a Board without Divisional Commissioners, while Bombay is content with only Commissioners. Now, considering that the administrative necessities of these Provinces are about the same, it appears to us that there is no justification for these inequalities of system in respect of *intermediate* supervision, and we venture to hold that the time is come for practically considering the question of re-modelling, with a view to simplicity and uniformity, this branch of the administrative machinery.

On the subject of the Boards, the Famine Commissioners observe (*Vide* F. C. Report, part 2, page 101, para 3) that "among the changes which have been made in the Indian administrative system during the last quarter of a century, may be specified that of the abolition of most of the Boards which before existed," and proceed in the same para to recommend the abolition of the Madras Board. We go in for a more thorough reform in the matter, and advocate the dis-establishment of the other Boards as well. The Punjab Financial Commissionership is also, in our opinion, now a sinecure appointment and should be done away with as a costly luxury, in the interest of economy.

These Boards had their day and their usefulness. They served a most important purpose in the administrative system. In the circumstances in which they rose, they were, for practical purposes, standing Committees of tried and trusted specialists, affiliated, on a co-ordinate footing, to the Secretariat of the Central Government, whose aid was indispensable in the first years after the conquest, in the work of organising and systematising the administration on a uniform basis, particularly in the important branch of Revenue. With a weak Secretariat, and that too burdened with other work, on the one hand, and with the local officers on the other overwhelmed with detailed executive administration, particularly in the absence of a trained, trustworthy subordinate service, the Central Government stood in special need of the services of these Boards, pos-

sessed of local experience and technical knowledge in the elaboration of order and system on general principles and on uniform lines in respect of administrative organisation. This initial and most difficult stage, however, was in course of time passed. The administrative system was constructed, elaborated and put in working order and the work of revenue settlement was completed. The Secretariats were strengthened by a large infusion of the specialist element. The work of the local Executive Officers was simplified and facilitated; the subordinate services were properly organised, and local institutions, too, were created for the purposes of local management. The local administrative machine having been thus adjusted and effectually controlled, the work of the supervising Divisional Commissions was rendered easy and light. The special exigencies of the special situation, having been thus fully met, there was little or nothing left for these Boards to do in any special direction, and they ceased to have any special sphere of usefulness. Their *raison d'etre* was thus gone and yet they have lived on. With a change, however, in the circumstances in which they had their origin, there came naturally a change over their functions. They no longer served as consultative bodies to the Secretariat but sank down to the subordinate level of a subsidiary agency of local superivision side by side with the Commissioners, who were nominally subject to their authority. But this was a new function, as well as a new position, thrust on these Boards, originally constituted for a far different purpose. In Bengal and the N. W. Provinces, they are "such *in name* rather than *in substance*," as we are told by the Famine Commission (in the para above referred to); "the two members of which they are composed" divide "the work between them," and rarely act "as consultative bodies." In Madras, the Board acts as an agency of intermediate supervision, unaided by Divisional Commissioners, and it is complained that it cannot exercise any amount of effective local supervision. Thus, practically, the work of these Boards is *nil*; for they neither serve as consultative bodies as before, nor as effective supervising bodies in their altered position. They form little more than a superfluous wheel in the machinery of administrative supervision—a useless adjunct, now that their special function is gone, to the administrative machine, clogging rather than aiding its motion and working.

We, therefore, submit that the time is come for abolishing these Boards as a measure of retrenchment, which can be carried out without the least sacrifice of administrative efficiency. Bom-

bay has no such Board, and no one advocates its establishment. The Famine Commission was of opinion that Madras should be satisfied with Divisional Commissioners in lieu of the present defunct Board. Punjab too has no such Board and is content with a Financial Commissioner. Now if Bombay, Madras, and Punjab can very well do without Boards, we fail to see why Bengal and the N. W. Provinces should be burdened any longer with this costly but useless luxury. Surely no grounds exist, apart from administrative necessity, which can be pleaded for keeping them up any longer.

Mr. Cotton, in his Report at page 38, gives the cost of these Boards as under :—

	£
Bengal Board of Revenue	26,911
N. W. Provinces ,,	21,860
Madras ,,	28,801
Total	£ 77,572

The abolition of these Boards would thus result in an annual saving of £ 77,572 to the treasury. In Madras, however, there would be a considerable set off to the saving ; for, as the Famine Commissioners suggest, it would be necessary in that case, to create at least two Divisional Commissionerships at a total annual charge, on the Bengal scale, of £ 11,060. With this deduction, the net gain may be put down at £ 66,512.

Further, we are of opinion that Punjab should now, however reluctantly it may be, part with its Financial Commissioner who, whatever his usefulness in the first years after the conquest in the work of administrative construction in the Financial branches, appears in the present circumstances only a costly anomaly whether we look upon this interesting personage as a special adviser attached to the Secretariat in matters financial, or as a supervising autocrat over the divisional and district officers of the Province. His work, which must now be either of an ornamental or ordinary character, should be delegated, if need be, to a new Under-Secretary in the Finance branch of the Secretariat. The charges of the office of this Financial Commissioner in the Province are put down by Mr. Cotton, at £ 13, 159, and if it be abolished, and an Under-Secretary be appointed to do the work at a charge, including his salary and cost of the office establishment, of (say) £ 1,500, the net saving would be £ 11,659 per annum.

This double measure of retrenchment, which involves no sacrifice of efficiency, would give the country a net annual saving of £78,169 (= £66,570 on account of the Boards and £11,659 on account of the Financial Commissioner in the Punjab), and would besides effect a most desirable change in the administrative system by simplifying the present cumbrous machinery of intermediate supervision.

These Boards disesbtablished and the office of the Punjab Financial Commissioner abolished, we would not advocate any further dislocation, for the present, of the existing machinery of supervision. The abolition of Divisional Commissionerships is now and then suggested in the papers, but we are strongly of opinion that the time is not yet come for so structural a change in the administrative system. As long as local supervision is essential to the success of District Administration, and unity of effective control is needed to secure uniformity of method, we think, we must retain our Commissioners, and for the reason that the Central Secretariats cannot assume or, even if they assume, cannot effectually discharge, the function of local supervision, besides their special one of controlling direction, and no other agency is for the present available for the purpose. Until the system of District Administration is placed on a new footing, and the district officers are relieved entirely of the executive *detailed* work, as well as of their magisterial duties, and are thereby enabled to assume their proper position in the system, as directing heads of local Executive Administration, we fear, that the removal of these Divisional Commissionerships, as sometimes suggested, before some other agency is ready to take its place,—the Secretariat being left out of account as being useless for the purpose,—would confer, by doing away with the only effective agency of supervision we have now, upon the District Executive Officers a larger measure of administrative independence and controlling power of direction, than can be safely confided to them in the present condition of things, and would thereby impair the efficiency and imperil the success of local Executive Administration.

While, therefore on these and other grounds, we strongly deprecate the suggested abolition of Divisional Commissionerships, we would, however, re-commend a considerable reduction in their present number by a territorial extension of their areas, in view particularly of two facts :—(1) increased facilities of communication, rendering the task of supervision easier, and (2) changes of circumstances, such as a better organization of

District Administration work, a better organization of Public Opinion, &c. which rendered supervision simpler as well as easier, than it was a decade or two ago But this suggestion regarding the reduction in the present number of Divisional Commissioners opens up a far broader question of administrative change, namely that of a general territorial re-adjustment of Divisional and District Executive charges,—which, as bearing on the whole system of Executive Administration, has to be considered in connection with both the supervising and Executive branches of the administrative machinery.

Reverting to our table on page 11 of this Note, we find the whole administrative staff distributed according to Provinces as under:—

Province.	Divisional Commissioners.	District Executive officers.	Assistant Collectors &c.	Remarks.
Madras	...	21	96	We leave out of consideration the two "Scheduled" Non-Regulation districts of Assam and Sind, as being subject to exceptional administrative treatment in their present backward condition. The "Non-Regulation" provinces, (Punjab, Oude, Central Provinces) being so now only in name, are grouped with the Regulation Provinces, as practically belonging to that category.
Bombay.....	3	18	74	
N.W. Provinces.	7	35	110	
Bengal	9	44	124	
Punjab	10	32	97	
Oude	4	12	35	
Central Provinces	4	18	30	
Total.....	37	180	566	

Thus of the total superior staff of Executive Administration numbering 783 strong, we have 37 Officers, composing the supervising branch, and 746, the Executive—of which latter, 180 are the local Executive heads of District Administration.

The distribution of this staff according to Provinces is shown in the following tables which give the average area, population, and revenue per each class of officer in each :—

(A) As per *Commissioner.*

No. of Commissioners.	Province.	Area.	Population.	Revenue (£)			Remarks.
				Land.	Other.	Total.	
	Madras	...	...	...	...	...	No Commissioners, but a Board.
3	Bombay (—Sind).	25,853	4,680,197	972,029	2,312,031	3,041,054*	* Including Sind, and the average is taken by dividing the figure by 4 —being the number of Commissioners in the Presidency, inclusive of Sind.
7	N. W. Provinces.	11,671	4,674,304	721,937	63,596	785,520	
9	Bengal.....	17,577	7,410,163	414,863	1,643,453	2,058,217	
10	Punjab.....	10,500	1,885,043	230,235	177,343	407,577	
4	Oude	6,000	2,846,935	380,017	42,502	402,264	
4	Central Provinces	21,000	2,459,655	161,836	162,697	324,785	

(B) As per *District Officer*—Collector or Deputy Commissioner.

No. of Districts.	Province.	Area.	Population.	Revenue (£)			Remarks.
				Land.	Other.	Total.	
21	Madras.....	6,609	1,484,315	243,331	285,652	481,318	
18	Bombay (—Sind).	4,311	780,035	162,605	402,092	528,898*	*Same as in the preceding table.
35	N. W. Provinces.	2,334	934,860	144,385	12,719	157,107	
44	Bengal.....	3,600	1,515,715	84,560	335,160	421,021	
32	Punjab.....	3,281	588,451	71,954	55,420	127,368	
12	Oude	2,000	948,980	126,672	14,168	134,088	
18	Central Provinces.	4,111	546,556	37,630	36,210	72,060	

(C) As per *Sub-District Officer* (—Assistant Collector &c.).

No. of Sub-District Officers.	Province	Area.	Population.	Land Revenue £	Remarks.
98	Madras	1,445	324,694	53,437	The other heads of Revenue are left out, because these Sub-District Officers have but little to do with them. Land Revenue alone is particularly under their management.
74	Bombay (—Sind)	1,048	189,373	39,041	
110	N. W. Provinces.	743	287,456	45,940	
124	Bengal	1,276	537,834	30,112	
97	Punjab	1,083	194,330	23,839	
35	Oude	698	323,364	43,430	
30	Central Provinces	2,800	327,957	21,578	

These three Tables [A, B, C] show how unequally the administrative staff is distributed among the different Provinces. The fact of this unequal distribution may be brought out more vividly if we re-arrange the figures as under :—

1st —In respect of *Area*.

No. of Commissioners.	Province.	Per Commissioner.	Rank.	Remarks.
3	Bombay (—Sind)	25,853	1	Of the Provinces that have Divisional Commissioners, Bombay heads the list, with the largest average area per Commissioner; Oude comes last, in which the average *Divisional* Commissionership is smaller than the average *District* Collectorate of Madras. The average *Divisional* area in Punjab is only slightly larger than that of the Bombay District of Khandesh.
4	Central Provinces	21,000	2	
9	Bengal	17,577	3	
7	N. W. Provinces.	11,671	4	
10	Punjab	10,500	5	
4	Oude.....	6,000	6	
...	Madras.....	...	...	

No. of District Officers.	Province.	Per District Officer.	Rank.	Remarks.
21	Madras	6,609	1	In respect of District Executive charges, Madras has the largest area, and Oude, the smallest. The average *district* area in the N. W. Provinces is considerably smaller than that of the sub-district charge in the Central Provinces.
18	Bombay (—Sind) ...	4,311	2	
18	Central Provinces ...	4,111	3	
44	Bengal	3,600	4	
32	Punjab	3,281	5	
35	N. W. Provinces ...	2,334	6	
12	Oude	2,000	7	

No. of Sub-District Officers.	Province.	Per Sub-District Officer.	Rank.	Remarks.
30	Central Provinces ...	2,800	1	With regard to the Sub-District Officer's charges, the Central Provinces stand first, Oude comes last. The areas in the N. W. Provinces are only a trifle larger than in Oude.
98	Madras	1,445	2	
124	Bengal	1,276	3	
97	Punjab	1,083	4	
74	Bombay (—Sind) ...	1,048	5	
110	N. W. Provinces ...	743	6	
35	Oude	698	7	

In point of magnitude of Area the Provinces rank as follows :—

Province.	Commissionerships.	District charges.	Sub-District charges.	Remarks.
	Rank	Rank	Rank	Thus, *Bombay* has fewer Commissioners than any other Province, *Madras* fewer District officers, and *Central Provinces*, fewer Sub-District officers. *Oude* has the largest number of Commissioners, District officers and Sub-District officers; *Punjab* comes next to it or, rather, the *N. W. Provinces*.
Bombay (—Sind)	1	2	5	
Central Provinces	2	3	1	
Bengal	3	4	3	
N. W. Provinces	4	5	6	
Punjab	6	6	4	
Oude	5	7	7	
Madras	7	1	2	

2ndly—In respect of *Population* :—

No. of Commissioners.	Province.	Per Commissioner.	Rank.	Remarks.
...	Madras has no Commissioners.	.....	...	Of the Provinces having Commissionerships, *Bengal* gives to the Commissioners the largest population to look after; *Punjab* the smallest; the latter averaging only slightly larger than the average population for a District Officer in Bengal, or being about equal to that of the two Bombay districts of Khandesh and Nasik.
9	Bengal	7,410,163	1	
3	Bombay...	4,680,197	2	
7	N. W. Provinces ...	4,674,304	3	
4	Oude	2,846,935	4	
4	Central Provinces...	2,459,685	5	
10	Punjab	1,885,043	6	

No. of District Officers.	Province.	Per District Officer.	Rank.	Remarks.
44	Bengal	1,515,715	1	In respect of District charges *Bengal* again heads the list; the *Central Provinces* come last, *Punjab* being only a shade better. The average *District* charge in Punjab shows a population only a little larger than that of the average *Sub-District* in Bengal.
21	Madras	1,484,315	2	
12	Oude	948,950	3	
35	N. W. Provinces ...	937,860	4	
18	Bombay (—Sind) ...	780,035	5	
32	Punjab	588,451	6	
18	Central Provinces ...	546,556	7	

No. of Sub-District Officers.	Province.	Per Sub-District Officer.	Rank.	Remarks.
124	Bengal	537,834	1	Coming last to the Sub-District charges, we find *Bengal* at the top as in (a) and (b), *Bombay* falling at the bottom: *Punjab* is only slightly better than Bombay.
30	Central Provinces ...	327,957	2	
35	Oude	325,364	3	
98	Madras	324,694	4	
110	N. W. Provinces ...	287,456	5	
97	Punjab	194,330	6	
74	Bombay	189,373	7	

In point of *Population* therefore the Provinces rank as under :—

Province.	Rank.			Remarks.
	Commissioners.	Collectors.	Asst. Colts.	
Bengal.....	1	1	1	*Bengal* has the *largest* Commissioner, District Officer, and Sub-District Officer charges. *Punjab*, about the largest number. *The C. Provinces*, only slightly better *Oude*,—middling.
Bombay	2	2	2	
N. W. Provinces.	3	3	3	
Oude	4	4	4	
Central Provinces.	5	5	5	
Punjab	6	6	6	
Madras	7	7	7	

3rdly—Revenue—*Land* (as being the most important.)

No. of Commissioners.	Province.	Per Commissioner.	Rank.	Remarks.
		£		
3	Bombay (–Sind)	972,029	1	*Bombay* shows the largest *land* revenue per Commissioner; the Central Provinces the smallest.
7	N.W. Provinces.	721,927	2	
9	Bengal.....	414,863	3	
4	Oude	380,017	4	
10	Punjab	230,235	5	
4	Central Provinces	161,836	6	

No. of District Officers.	Province.	Per District Officer.	Rank.	Remarks.
		£		
21	Madras	240,338	1	*Madras* in respect of district charges heads the list with the largest revenues for District Officer; the *Central Provinces* come last.
18	Bombay	162,605	2	
35	N. W. Provinces...	144,385	3	
12	Oude	126,672	4	
44	Bengal	84,560	5	
32	Punjab	71,954	6	
18	Central Provinces ..	37,630	7	

No. of Sub-District Officers.	Province.	Per Sub-District Officer.	Rank.	Remarks.
		£		
98	Madras	53,439	1	*Madras*, again, comes at the top in regard to *Sub-District* charges, while the *Central Provinces* fall to the bottom.
110	N. W. Provinces...	45,940	2	
35	Oude	43,420	3	
74	Bombay	39,041	4	
124	Bengal	30,112	5	
97	Punjab	23,837	6	
30	Central Provinces.	21,578	7	

In respect of *Revenue* (Land), these Provinces rank as below :—

Province.	Rank.			Remarks.
	Commissioners.	Collectors.	Assistant Collectors.	
Madras	1	1	1	As compared with the proportion of the *land-revenue*, *Bombay* has the *fewest* Commissioners, the *Central Provinces*, the *largest* number,—its thinly scattered population fully accounting for it. *Madras* stands first in respect of District Administration, having the *fewest* officers, the *Central Provinces* coming last in the list; the circumstance is worth noting in Madras particularly, as there are no Commissionerships, the District Officers, subject to the Board and the Secretariat, are more independent than in any other Province.
Bombay (—Sind) ...	2	2	2	
N. W. Provinces ...	3	3	3	
Bengal.....	4	4	4	
Oude	5	5	5	
Punjab.....	6	6	6	
Central Provinces ...	7	7	7	

Putting together these results, as relating to Area, Population, and Revenue interests,—the three chief factors which go to determine the strength of the administrative staff,—we have the provinces ranking as below:—

Province.	RANK ACCORDING TO										Remarks.
	Area per			Population per.			Revenue (Land)			*Average rank* on the principle of compensation balance.	
	Commissioners.	District Officers.	Sub-District Officers.	Commissioners.	District Officers.	Sub-District Officers.	Commissioners.	District Officers.	Sub-District Officers.		
Bombay	1	2	5	2	5	7	1	2	4	2	The last column gives the rank of the Province in respect of Divisional and District charges in relation to Area, Population & Revenues, allowing an equal mutually balancing influence to those three factors. *Bengal* comes first, as being perhaps the oldest of the British Provinces, in order of conquest, and shows, a pretty *normal* state of things; *Punjab*, on the other hand, comes last as being the latest acquisition; *Oude* stands above it, as being earlier in date of virtual connection.
Central Provinces.	2	3	1	5	7	2	6	7	7	4	
Bengal...	3	4	3	1	1	1	3	5	5	1	
N. W. Provinces	4	6	6	3	4	5	2	3	2	3	
Punjab	5	5	4	6	6	6	5	6	6	6	
Oude.....	6	7	7	4	3	·3	4	4	5	5	
Madras	...	1	2	...	2	4	...	1	1	1	In respect of District Administration.

1	Bengal	The distribution of the administrative staff, as indicated by the *average rank* of the Provinces, bears evident traces of historical origin, and had relation clearly to the exigencies of Administrative organisation in the first years of conquest and imperial consolidation, a circumstance which explains its inequalities as per margin. As an historical accident, therefore, it is that Bengal is, on the whole, more cheaply governed than any other Province in the Empire, Madras excepted, while Punjab has a more expensive administration.
2	Bombay.....	
3	N. W. Provinces	
4	C. Provinces.....	
5	Oude	
6	Punjab	
I	Madras	

These inequalities in the distribution of the Administrative staff are great and glaring, and, however justifiable in the circumstances of early conquest, seem to us to be indefensible in the altered conditions of to-day and add largely but needlessly to the cost of Administration in some Provinces as compared with others. They, therefore, call in our opinion for a re-adjustment with a view to greater symmetry and uniformity, in the interests both of administrative reform and economy.

On this subject, however, the Famine Commissioners in their report, part 2, pages 101-2, para 5, write :—"We have thought it desirable to examine whether there is any considerable inequality in the proportion borne by the number of officers in the various Provinces to the work that has to be done, as indicated by the area, population, and revenue ; whether there is apparent reason for thinking that a re-adjustment is desirable to secure economy or efficiency. The figures, which we have brought together in the accompanying table" (which are duly given) "*do not justify such a view.*" (The italics are ours.) After some further remarks, intended to explain the self-adjusting balance of the supposed inequalities, the Famine Commissioners put aside the whole subject, observing that there is no "probable practical utility of pushing such inquiries further."

We beg respectfully to dissent from this view of the Famine Commissioners regarding the important question of a territorial re-adjustment of Executive charges, and submit that these inequalities in the distribution of the Administrative machinery are not only not defensible at the present day as features of the

administrative system, but are costly *anomalies* involving a large waste of administrative energy and Public Funds. A territorial reconstruction, therefore, of the Executive Administration, with a view to the removal of these inequalities, appears to us not only a most desirable measure of administrative reform, but a necessary measure as well of retrenchment.

The existing strength of the Administrative staff in both the Supervising and Executive branches, as well as its unequal distribution, had perhaps full justification in the condition of things in which they were originally settled.

1st, As regards the executive side,—At the critical stage of administrative organization in the first years of the inauguration of foreign rule, the heads of the District Administration had very onerous duties and responsibilities imposed upon them. The very fabric of Administration had to be constructed; the administrative work was neither specialized nor systematized; there existed no special Departments for special administrative purposes; and there were no settled principles and no definite procedure for the guidance of the District Officer. And yet he was responsible for almost everything relating to, and happening in, his District. He was responsible for the peace, order, and good administration of his territorial charge; he had to look to the management of Revenue in its various branches; he had to supervise the arrangements of Police and the maintenance of order; he had to look after jails and hospitals, Schools and P. Works,—Sanitation and Vaccination, too, were not excluded from the purview of his duties. He was, furthermore, a Magistrate and had a heavy amount of magisterial work to go through. He was, thus, more an Executive Officer in his District, charged with heavy detailed work, than its supervising head. To add to the difficulties of his work, he had, in those years, no trained or tried subordinate Native Servants under him, and no trained native subordinate magistracy; nor were there local institutions, urban or rural, to relieve him of part of his local Executive work No organs of Public Opinion existed, though Public Opinion itself existed, and possibly in great strength too, and had to be carefully ascertained and respected. The absence of means of communication was a great disadvantage.

Under such circumstances, it was essential to the success of the new *regime* that the territorial charges of these Local Executive officers should be small and conveniently manageable, or, in other words, that the strength of the Executive staff should

be proportionately great, in proportion to the difficulty and complexity of the work thrown upon it.

Consideration, too, of administrative necessity or convenience,—in special reference to peculiarities of Area, of Population, and of Revenue interests to be guarded,—must have gone a great way towards determining both the strength of the Administrative staff and its existing unequal distribution. Regard had necessarily to be paid, in the first years of conquest and Imperial settlement, in regulating the division of Executive charges for Administrative purposes, among other things, to the following :—

(1) In respect of *Area* :—(*a*) configuration and physical features of the area to be managed, as bearing on the facilities of communication and work of supervision ; the difficulty of administration evidently varying according as it was compact or scattered, level or hilly, intersected by rivers or traversed by mountain ranges.

(*b*) Intermixture of British with Feudatory territory as, for instance, in Bombay.

(*c*) Proximity to the territory of Feudatory states, large and important (as in Madras, the Central Provinces &c.), of *quasi*-independent states (as in Assam), or of independent states (as in Punjab).

(2) In respect of *Population* :—

(*a*) *Composition* of the population to be looked after—whether it was homogeneous or mixed; and if mixed, in what proportions the different component sections were mixed, what were their mutual relations &c.; the admixture, for instance, of a large Mahomedan element in Punjab or in the eastern parts of Bengal, the concentration of hostile elements in great numerical strength in the chief centres of religious, political, or commercial activity, as in the N. W. Provinces, the traditional, inveterate antipathies of race among the different sections of the community as in Punjab,—these and such other circumstances were all important factors in the administrative problem of organisation.

(*b*) *Character* of the populations, also, as having a bearing on the difficulty or otherwise of administrative work. The work was more or less difficult according as they were disaffected or loyal, lawless or peaceful, backward or advancing.

(*c*) *Contact* of these populations with others, not directly or indirectly under British management.

(3) In respect of Revenue:—

(*a*) The complexity and importance of Revenue interests to be protected.

(*b*) The difficulty and intricacy of management.

These two sets of circumstances, (1) initial difficulties of administrative organisation and (2) peculiarities of Area, Population, and Revenue management, go a long way to account for the existing territorial distribution of executive District administrative charges in the different Provinces and its inequalities.

Similar considerations must, in the same way, have determined the double or triple system of supervision that at present exists in the various Provinces of the Empire, and regulated, besides the constitution of special Boards, the number of Divisional Commissionerships.

At a stage of Administrative progress, at which the system of local executive Administration was but imperfectly elaborated, and the District officers were overwhelmed with the multifarious details of executive administration and were in no way controlling heads in their respective districts, and when, therefore, local, personal, and constant supervision was indispensable for administrative efficiency and yet was beset with more than ordinary difficulties in the absence of means of communication; where, further, there were no independent, outside checks yet developed within the country to control the work of the District officers,—in these circumstances it must be admitted that the necessity was almost imperative for narrowing the areas of Divisional Commissionerships within convenient limits, for creating a strong staff of Divisional supervising officers, both to ensure effective local supervision and to secure thorough enforcement of general and uniform principles in respect of local executive administration. The exigencies of Famine relief were, at a later date, an additional element in the situation, and Bombay was burdened with a third Commissionership only on the occasion of the last famine in S. India. Further considerations, such as those above referred to, relating to Area, Population and Revenue, as bearing on the strength and inequality of the executive staff, also account for the very unequal number of Divisional Commissionerships in the different Provinces.

But the situation, in reference to the requirements of which the Administrative staff—both executive and supervising—was determined and distributed a generation or more ago, is assuredly not the situation of to-day with which we have to deal. During the last 25 years and more of uninterrupted peace and administrative progress, things have vastly changed and in recognition of that change, a revision of our existing arrangements seems desirable to bring them into harmony with the wants of the present day. The main features of the change are briefly these :—

(1) The Non-Regulation provinces have been levelled up virtually, if not in administrative nomenclature, to the status of the Regulation ones, in point of system and mode of administration.

(2) The administrative machine has been developed and perfected to a high degree of excellence in a three-fold way thus :—

(*a*) The work of Executive Administration has been regularized under a perfect and uniform code of rules and procedure, and most of its branches, under a well-constructed differentiation of functions, have been *specialized* through the professional agency of special Departments under skilled direction.

(*b*) A strong system of supervision,—rather too strong for the purpose,—has been organized in various branches; and to ensure, further, a unity of directive control, the Central Secretariats have been strengthened by the introduction of the specialist element on a large scale.

(*c*) A system of Local Self-Government has been set on foot more or less on the elective principle in most of the Provinces under recent legislation, intended as much for the purpose of relieving the Executive Administration of a large part of purely local work, as for that of promoting the political education of the people.

(3) A vast improvement has taken place since 1853 in the means of communication (railways, roads, telegraph &c.)—by which the work not only of Executive Administration but also of administrative supervision is greatly facilitated.

(4) Side by side with these changes, there has been also, during the period, a parallel movement, outside the bureaucratic sphere of administrative cognisance, of Native Public Opinion

in the country as a political force, or third estate, or "*tiers etat.*" New organs have come into existence for a "constitutional expression" of the voice of the people; a pretty large number of Native Newspapers, both English and Vernacular, have been established under independent native management; and many public associations, more or less representative in their constitution, have been formed all over the country. The progress of Education in both its "higher and primary" branches, the activity of a free press and of political associations are some of the forces that have been working throughout the period to rouse and educate the political thought of the nation. In this growing power of Public Opinion, particularly native, we have a new controlling force, which as it increases in intensity and momentum, renders the work of administrative supervision on the part of the Central Government in respect of local Executive Administration, lighter and simpler and yet more effective and successful.

These four circumstances constitute, in our opinion, an important change in the conditions of executive administration. Their effect in lightening and simplifying the actual work of the administrative staff may be briefly described as follows :—

(A) In respect of *District Executive administration* :— The District Officer's work, so heavy and complicated at the initial stage of administrative progress has been lightened and simplified a good deal. It is *lightened* :—

(1) With regard to *Revenue* management :—

(*a*) Relating to *Land*—by the separate action of the Survey and Settlement Department.

(*b*) Relating to *other branches* of Revenue, such as Excise, by the creation of separate special Departments.

(2) With regard to *Executive administration* :—.

(*a*) By the withdrawal, from under his direct control, of several and important items, *e. g.* the *jails* under the Inspector-General of Prisons, the schools under the Education Department, *Police* under its own Department recently created.

(*b*) By the constitution of District and Taluka Boards, to whose management, most of the work, that is of a purely local character, has been handed and on which he has now to exercise general superintendence "from outside."

(*c*) By the organisation, under him, of a strong trained subordinate native service.

(3) With regard to *Magisterial* work:—

(*a*) By the formation of a strong subordinate native magistracy.

(*b*) By the facility, therefore, with which such work can be delegated to others. In Bombay, at least, the District Head Officers do very little of magisterial work, as shown in his pamphlet on "Criminal Statistics" by the Honourable Rao Bahadur M. G. Ranade.

And the District Officer's work has been *simplified* by a thorough organisation of the administrative system in its three features of division of functions, graded supervision, and definite procedure.

Thus, it will appear, that the District Officer of the present day is not the District Officer of 1850 or 1860. He is now more a Supervising Officer in his District, than an Executive Officer overwhelmed with detailed executive work,—a change in his position and function, which deserves to be recognized in administrative arrangements, and which clearly points to the desirability of extending the territorial limits of his executive charge—which had necessarily to be narrowed in area in days gone by.

(B) In respect of *Administrative Supervision*:—The necessity and difficulty of effective supervision to be exercised by a Divisional Commissioner are alike diminished:—(1) because the District Officers are now more of Supervising than Executive Officers, and are in a position to do a large part of the work of supervision, hitherto done by the Boards and Divisional Commissioners.

(2) Because, several important items of District Administration, both revenue and executive, are already under special direction of Departmental chiefs, exercising co-ordinate authority.

(3) Because there now exist independent popular checks, which materially aid the work of supervision.

(4) Because of increased facilities of communication which render possible effective supervision over more extended areas.

Thus the present staff of divisional, supervising Commissioners appears now stronger than need be for purposes of effective control.

Further more, in respect of both these branches of the Administrative staff, it may be remarked that the considerations also relating to Area, Population and Revenue, glanced at on a former page, have now lost much of their former force.

(A) *Area*—(1) The interlacing of British with Feudatory territory is no longer what it once was, a source of difficulty to the Executive Administration, and for two reasons :—

(*a*) That most of the Feudatory states whose territories are interspersed with British, have passed during the last 30 years through the crucible of direct British management ; and also that some of those large Feudatory States, such as Mysore, Hyderabad, Baroda &c., having territories contiguous to British, have also experienced a similar stage.

(*b*) That the system of administration in these Native States is being rapidly assimilated to that obtaining in British territory by the adoption of British law and procedure.

(2) In the second place, the administrative difficulty, due to proximity to independent States, is now almost minimized (*a*) by a vastly improved condition of diplomatic relations, and (*b*) by increased strength of frontier defences.

(B) Population :—

(1) The composition of the populations in the different Provinces of the Empire must have still remained very much the same that it was 30 or 40 years ago. Within each Province, some change may have taken place in rural and urban society in this respect, in consequence of a steady movement of population from the country to the towns owing to increasing business and commercial activity in the latter.

(2) But their character cannot but have been deeply modified by the action of powerful material and moral influences, to which they have been subjected during the period. The relations, too, of the different component sections of the populations have greatly improved ; the old feelings of antipathy of race and creed and color are fast dying away before the solvent

action of education, free thought, free discussion and healthy contact with a superior civilization. A new national coalescence is taking place, a new life is being infused, new sentiments, new aspirations are springing up all round. This growth of national solidarity and national self-consciousness is a most important feature of our present progress,—which has a material bearing on the system of administrative arrangements. The concentration, as for instance in the N. W. Provinces or Punjab, of large mixed populations in small areas—urban or rural, which was once a source of serious embarrassment to the Executive Administration owing to the mutual hatreds and discords—is now being transformed into a positive advantage conducive to facility of administrative work and thereby to economy of administrative energy.

(C) *Revenue* :—The importance and complexity of revenue interests have no doubt greatly increased during the last 30 years, but the difficulty of management has been proportionately reduced by better arrangements and improved agencies for both executive work and directive supervision. The *Land* Revenue—which is the most important item of our Imperial revenues, and which was once the hardest head of revenue for the District Officer to deal with,—now offers little, or no difficulties. In those parts where it is permanently settled, as in Bengal and a large part of Madras, there is little executive work in connection with it, excepting the regulation of relations between the Zamindars and their tenants which, however, is not strictly revenue work. In other Provinces, such as the N. W. Provinces and Punjab, where there is the village system and large rent-paying communities have to be dealt with, the work is large in amount, but simple in its character; elsewhere, the difficulty of managing this revenue under the Ryotwari system is now practically much reduced, partly because the survey is now approaching completion in most provinces and with it the registry of peasant rights, and partly because of the clear, definite rules that have been laid down by Lord Ripon's Government in 1882 for the regulation of settlement operations,—rules which are such as to preclude the necessity for minute interference and vexatious periodical proceedings in respect of revision of assessments. As regards the other heads of revenue the management is now thoroughly systematized and thereby rendered easy and simple.

These and such other circumstances indicated in the foregoing observations, when taken together, amount in our

opinion to a large and important change in the conditions of Executive Administration, which deserves to be duly recognized. In view of this change, we are of opinion that the existing strength of the Administrative staff, both Executive and Supervising, regulated in relation to a situation and to conditions which are no longer existent, is much in excess of the present demands of the Public Service, and that the existing equalities in its distribution, as between the different Provinces, however necessary in the early years of conquest, have no longer a sufficient justification in their present administrative requirements, and that, in consequence, both are now an objectless and therefore needlessly costly feature of our administrative system. With due deference, therefore, to the authority of the Famine Commissioners, who take a different view of the subject and see no cause for a re-consideration of the existing arrangements, we venture to maintain that a territorial re-construction of Executive Administration charges with a view to reduction in the present strength of the Administrative staff and to its more equable distribution, is a desirable and necessary measure of administrative reform and economy.

We do not, however, intend on the present occasion to suggest any sweeping or comprehensive scheme of administrative re-construction, but earnestly urge that a first step may be taken in that direction, at least in the interests of economy.

We would confine our present proposals to a re-adjustment of Divisional and District Executive charges, leaving undisturbed the existing arrangements regarding Sub-District administration. We would recommend an extension of the Executive areas, or, in other words, a reduction in the number of Divisional Commissioners and District Officers, as a measure which can be safely carried out without loss of efficiency. To begin with the Commissionerships :—

(A) The present number of these Divisional Commissionerships in the different Provinces is 39, maintained at a charge to the treasury of £204,704 or, excluding Assam and Sind as scheduled non-Regulation districts, 37 costing £195,371, distributed as marginally shown in a table :—

Province.	No. of Commissioners.	Charge £.	Remarks.
Bengal.....	9	50,262	(The figures are taken from Mr. Cotton's Report for 1882-83, page 38.)
Assam	1	5,333	
N. W. Provinces..... 7	11	54,463	
Oude..... 4			
Punjab	10	52,618	
Central Provinces	4	18,975	
Bombay (—Sind) ...	4	23,053	
Madras	...	...	
Total	39	204,704	

Or, exclusive of Assam and Sind, 37 at a charge of about £195,371.

So that, we have under the present arrangements :—

As per Commissioner (Vide table on page 17).

No. of Commissioners.	Provinces.	Area in square miles.	Population.	Land Revenue £.
9	Bengal.....	17,577	7,410,163	414,863
7	N. W. Provinces ...	11,671	4,674,304	721,921
4	Oude	6,000	2,846,935	380,017
10	Punjab	10,500	1,885,043	230,235
4	Central Provinces...	21,000	2,459,685	161,836
3	Bombay (—Sind) ...	25,853	4,680,197	97,029

In our recommendations, we shall begin with our own Presidency. *Bombay*, excluding Sind, had only 2 Commissioners before the Famine of 1876–78, and we would suggest that she should revert to the old arrangement, the strength of the District Executive staff being fully adequate to the exigencies of Famine relief, as was shown in the conduct of the relief operations of the said Famine. The *N. W. Provinces*, the most compact of our Provinces, possessing the greatest advantages of communication, and the best manageable, being free from most of the administrative difficulties connected with Area, Population, and Revenue to be met with in other Provinces, should be content, in our opinion, with 3 Commissioners, instead of the present 7. *Oude* too, which has been amalgamated with these Provinces for administrative purposes, should consent to cut down the number of her divisional Commissionerships from 4 to 2, possessing as she does similar advantages. *Punjab*, in no way inferior to the N. W. Provinces in compactness of territory and facilities of communication and possessing a much smaller population, should have 5 Commissioners instead of 10 as now,—still two more than the N. W. Provinces, because (1) of the more mixed composition of its population*, and (2) of its being a frontier Province in direct contact with the "excitable" zone of Mahomedan states in Central Asia. We would leave undisturbed for the present the *status quo* in *Bengal* and the *Central Provinces*; in Bengal, because she shows, on the whole, a normal condition of things as regards the administrative arrangements, and in the Central Provinces, because of the sparseness and backwardness of the population as well as of the imperfectly developed state

*

Province.	Population.	Percentages (relative) of the constitutent elements.				Remarks.
		Hindus.	Mahomedans.	Others.	Sikhs.	
N.W. Provinces.	32,720,128	85·91	13·72	·36	·01	(Census 1881, vide statistical tables for British India.)
Punjab	18,550,437	37·83	55·83	·34	5·95	

of communications. Moreover we would give Madras, as said before, 2 Commissioners in place of her present Board of Revenue.

Thus we would have a staff of Commissioners 27 strong, instead of 37 as at present, distributed as follows:—

Bombay	2	in place of	3
N. W. Provinces.....	3	,,	7
Oude	2	,,	4
Punjab	5	,,	10
Central Provinces ...	4	as now	4
Bengal.....	9	as now	9
Madras	2	(new)	
Total...	27		... 37

The territorial re-distribution of Divisional charges, involved in this reduction of the number of Commissioners may be shown tabularly as follows :—

Provinces.	Area.	Population	Revenue (Land) £.	Suggested number of Commissioners.	Existing number of Commissioners.
Madras	138,800	31,170,530	5,130,004	2	...
Bombay and Sind. ...	77,500	14,040,591	2,916,089	2	3
N. W. Provinces ...	81,700	32,720,128	5,053,468	3	7
Oude	24,000	11,387,741	1,520,068	2	4
Punjab	105,000	18,850,437	2,302,359	5	10
Central Provinces ...	84,000	9,838,791	647,345	4	4
Bengal	158,200	66,691,456	3,733,872	9	9
Total	...	...	...	27	37

This gives, per Commissioner, Area, Population and Land Revenue under the proposed scheme as under :—

Province.	Area.	Population.	Land Revenue £.
Madras	69,400	15,585,315	2,565,002
Bombay (Sind)	38,750	7,020,295	1,458,045
N. W. Provinces	27,233	10,906,709	1,648,489
Oude	12,000	5,893,870	760,034
Punjab	21,000	3,770,087	460,471
Central Provinces	21,000	2,459,655	161,886
Bengal	17,577	7,410,163	414,863

The saving to the treasury, in consequence of this territorial re-adjustment of Divisional charges, would be £ 61,777, the charges for the proposed two Commissionerships in Madras being met from the saving effected by the abolition of the Board of Revenue. (Vide page 14 *supra*).

Province.	As at present.		As proposed.		Reduction in No. of Com.	Saving.
	No. of Commissioners.	Charges £	No. of Commissioners.	Charges £		
Bengal	9	50,262	9	50,262	...	...
Central Provinces ...	4	18,975	4	18,975	...	...
Bombay—(Sind) ...	3	17,283	2	11,522	1	5,761
Punjab...	10	52,618	5	26,309	5	26,309
N. W. Provinces and Oude	11 {7 4	54,463	5 {3 2	24,756	6	29,707
Total	37	193,601	25	131,824	12	61,777

Madras would have two new Commissionerships at a charge of (say) £ 11,060 to be met from the saving to the amount of £28,801 consequent on the abolition of its Board of Revenue and leaving a net saving of £ 17,741 included in the total saving for the Boards generally.

The abolition of the Boards and the reduction in the number of Divisional Commissioners, as suggested above, would thus give the country a net saving of £ 128,289, while, at the same time, effecting a most desirable and needed administrative reform in the direction of symmetry and simplification as under:—

	£
Boards.....	66,512
Commissioners.....	61,777
Total	£ 128,289

(*B*) Let us now pass on to the subject of District Administrative charges. The present staff of District officers (Collectors and Deputy Commissioners) in the different provinces is 180 strong (excluding Assam and Sind) distributed as under:—

Madras.....	21	Bengal.....	44	
Bombay	18	Punjab	32	
N. W. Provinces.....	35	Central Provinces	18	
Oude	12		—	180
	—		94	
	86			

This gives, as shown before, *per Head District Officer*, Area, Population, and Land Revenue under the present arrangements, as follows:—

[Vide page 18 of the note]

No. of District Officers.	Province.	Area.	Population.	Land Revenue £.
21	Madras	6,609	1,484,315	243,331
18	Bombay (—Sind) ...	4,311	780,035	162,605
35	N. W. Provinces ...	2,334	934,860	144,385
44	Bengal	3,600	1,515,715	84,560
32	Punjab	3,281	588,451	71,954
12	Oude	2,000	948,980	126,672
18	Central Provinces ...	4,111	546,556	87,630

(1) As in considering the subject of Commissionerships, so here, we shall begin with our Presidency. Bombay, exclusive of Sind, should be satisfied, we think, with 15 Collectorates instead of 18 as at present. Some of the districts in the N. and S. Divisions, being too small in area, might be advantageously amalgamated, there being no special administrative difficulties in the way, connected with area or population. The importance of Revenue interests involved, if concentrated in small areas, should be utilised for purposes of administrative economy rather than otherwise. Thus Broach and Surat, Thana and Kolaba, Ratnagiri and Canara should be formed into 3 good, manageable Collectorates. The resulting re-arrangement might be shown thus :—

Province.	Area.	Population.	Land Revenue (lacs).
Broach ... ... Surat	2,946	9,57,409	Rs. 45·1
Thana ... ... Kolaba	5,634	11,97,829	23·7
Ratnagiri ... ... Canara	8,024	14,17,640	19·5

(2) In the North W. Provinces, we would propose that the number of Collectorates be reduced from 35 to 19, the reduction being effected by the amalgamation of District Areas in several Divisions, the greater density of population, as compared with that in other Provinces, being an administrative advantage, conducive to administrative economy as well as the concentration of Revenue interests in comparatively narrow areas.

The present Divisions are as below :—

Provinces.	Area.	Population, Lacs	Land Revenue, Lacs. Rs.	Number of Districts.
Meerut	11,285	49·7	79·9	6
Rohilkhand ...	11,813	54·9	73·3	6
Agra	10,156	50·4	81·2	6
Jhansi	5,058	9·3	14·2	3
Kumaon	11,500	7·4	3·4	2
Allahabad ...	13,625	54·6	93·2	6
Benares	18,330	81·7	80·4	6
Total ...	...	...	...	35

Of these 7 Divisional Commissionerships, Jhansi is exactly equal to Poona,—a Bombay District, for which the figures are Area 5,099, Population 997,235, and Land Revenue 14·8 lacs —and is yet divided for Administrative purposes into 3 Collectorates. So again, Kumaon is only a little larger than the Bombay District of Khandesh in area, has a smaller population and 1/10 of the Revenue, the figures for Khandesh being Area 10,162, Population 10,28,642 and Land Revenue 34·4 lacs, and yet is divided into 2 Collectorates. We think, the requirements of administration can be fully met by having 19 Executive District charges instead of 35 as now;

Division.	No. of District.
Meerut	3 instead of 6
Rohilkhand	3 ,, ,, 6
Agra	3 ,, ,, 6
Jhansi	1 ,, ,, 3
Kumaon	1 ,, ,, 2
Allahabad	4 ,, ,, 6
Benares	4 ,, ,, 6
Total	19 35

(3) In Oude, we would have a staff of 6 District officers, instead of 12 as at present. There is here the double administrative advantage of (1) great density of population and (2) concentration of revenue interests in small areas :—

The composition of population * being about the same as in Bombay and the N. W. Provinces, amalgamation of District Areas can, we think, be safely carried out in the Divisions of Lucknow, Fyzabad, and Lai Barelli.

(4) In Punjab, we have, under the existing arrangements, 32 Executive Districts grouped in 10 Divisions. Looking (1) to the more mixed character of its population as compared with that of other Provinces and (2) to its being a frontier province, we would suggest the reduction of the number only to 24, thus giving it comparatively small District Areas in relation to the real difficulties of administration. Amalgamation is possible, without administrative inconvenience, in such Divisions as Delhi, Umbala, Amritsar, Jalandhar.

(5) In Madras, Bengal and the Central Provinces, we would retain the present arrangements as calling for little alteration in this direction. In Madras, perhaps, some might suggest a slight increase in the number of Collectorates, say, from 21 to 24, and the suggestion would be in accordance with the views of the Famine Commissioners who state (Vide Report part 2, page 101, para 4) that "the efficiency of the administration in the Madras Presidency suffers also from the large area of some of its districts, which are more than double

Province.	Population.	Percentage of constituent sections.		
		Hindu.	Mahomedan.	Others
Oude	11,37,741	87·31	12·59	·1
N. W. Provinces ...	32,720,128	85·91	13·72	·57
Bombay	14,040,591	85·49	8·08	6·63

the size of the districts in other Provinces." We would accept this increase in the number of Executive districts here. Vizagapatam, Bellary and such other Districts might be broken up and rearranged more at manageable Executive charges.

Thus, then, we would have a staff of District officers, 150 strong in place of 180 as at present, distributed as follows :—

Province.	No. of Districts.		
Bombay	15	instead of	18
N. W. Provinces .	19	„ „	34
Oude	6	„ „	12
Punjab	24	„ „	32
Central Provinces.	18	as now	18
Bengal...	44	„	44
Madras	24	in place of	21
Total	150	instead of	180

The territorial redistribution of Executive District charges, involved here, might be exhibited as under :—

Per District Officer under the proposed scheme.

Province.	Area.	Population	Land Revenue. £
Bombay	5,166	9,36,040	194,406
N. W. Provinces...	4,300	17,22,112	264,212
Oude	4,000	18,97,957	253,344
Punjab...	4,575	7,86,268	95,932
Central Provinces	4,111	5,46,556	37,630
Bengal	3,600	15,15,715	84,560
Madras	5,783	12,98,753	213,750

The saving to the country, in consequence of such a territorial redistribution of District Executive charges, would be about £ 72,008, assuming, for the sake of estimate, the charge of each head District officer to be £ 2,488 per annum, including the cost of his establishment. The strength of the staff would be reduced by 30.

The total saving, which can thus be effected, without sacrifice of administrative efficiency, by these three measures regarding the Boards, the Commissionerships, and District Executive officers, would be, thus, £ 200,289 per annum,—no small relief, certainly, to an embarrassed treasury, to be obtained with a positive advantage in point of administrative reform.

	£.		
Boards	66,512	£.	
Commissioners	62,777	=200,289	
District Officers	72,000		

As closely connected with the subject, we would draw the attention of the Finance Department to the system of recruitment for the Covenanted Civil Service to which the superior grades of Executive appointments, dealt with in the preceding pages, belong by law as a special privilege.

The Covenanted Civil Service is a costly and privileged service, and the way in which it is recruited from year to year must be closely watched in the interests of economy. The recruitment does not always seem to follow definite rules, and sometimes, it is clear, indents for Civil Servants are sent from India to England, without due regard to the requirements of the Public Service. Over-recruitment necessarily follows with the eventual result of putting a considerable permanent needless charge on the Public Treasury. "Prior to 1861 there was a large under-recruitment, followed in the years 1862-64 by a correspondingly large over-recruitment." The gap caused in the ranks of the service during the period of the Mutiny having been filled up, it was attempted to stop the over-flow by an under-recruitment in 1869. There has since been more or less over-recruitment again. It may suffice to refer to the state of things in the Madras Presidency. In "Standing Information regarding Administration in Madras" page 24 we read :—

"There are altogether rather less than 100 appointments ordinarily available to the service, and the service is kept at such a strength, that allowing for absentees, a Junior Civilian

will get his first acting appointment in the lowest grade at about the close of his fourth year after arrival in the country. The ordinary annual recruitment, calculated so as to ensure these results, is about 7, giving an average of 28 Junior Civilians who will be at any one time not yet provided with an appointment."

Here thus, in Madras, we have always 28 Civil Servants *without any appointment even* "*in the lowest grade*," drawing, under statutory provision, salaries ranging between £ 600 and £ 800 per annum, and learning their business as extra Assistant Collectors or supernumerary Assistants in the practical school of District Administration. The object is, no doubt, a worthy object—namely to fit them for a due discharge of the responsible duties of their high executive posts,—and the 4 years' period of such royal practical training in the work of Administration must be peculiarly agreeable, too, to the young officers. But the country has to pay, in the Madras Presidency alone, for this interesting educational luxury an annual sum of between £ 16,800 and £ 22,400 in the shape of salaries to these men undergoing the so-called probation. Besides in this Province, the yearly recruitment is at the rate of 7 new men,—a number which seems to have been arbitrarily fixed without reference to the number of annually retiring officers or to the needs of the service. The case is not much better in other Provinces, but exact figures are not available.

The consequence of this over-recruitment for the Covenanted Civil Service, which now appears to be the rule rather than the exception, is three-fold :—

(*a*) The Executive branches of the Service are needlessly over-crowded thus:—

> In *Madras*, the appointments "reserved" by law for Covenanted Civilians are 91 in number, and yet the actual strength of the said service, including members present and absent on leave, is about 155. Looking to the Leave Code, which allows these Civilians two years' furlough after 8 years and thereafter one year after 4 years' service, it is allowable to assume that the number of annual absentees on furlough,—that has to be considered in regulating the standing strength of the service,—cannot exceed 20 or 25, and so it would appear that the "normal" strength need not be more than 111 or 116. The difference

between this figure and 155, the actual number (=44 or 39) represents the excess strength of the service, needlessly maintained at a permanent charge of, say £. 35,200 or £. 31,200, assuming the cost of each such officer to be £ 800 per annum.

In *Bombay*, similarly the number of sanctioned appointments "*reserved*" under statute to the same Service is about 84, of which 27 are judicial and 57 revenue and general, excluding supernumeraries and extra Assistants below the rank of 2nd Assistant Collectors, and yet the number of Civilian Officers was (in 1884-85) 159. Allowing for the possible number of annual absentees on furlough under special privileges of Leave, say 20, we have still 54 more Civilian Officers in our service than we want, costing the state £ 43,200 a year at the rate of £ 800 per Officer.

So also, in the N. W. Provinces, the Executive Administrative staff is proportionately stronger in the number of Sub-District officers (Extra and supernumerary Assistant Collectors) than in any other province, excepting *Oude* which is, however, administratively speaking a part of it. In the N. W. Provinces we have 110 Civilian Officers engaged in sub-District Administration, besides 35 Collectors, while Oude has 35 such officers in addition to 12 Collectors.

(*b*) The regular order of promotion is disurbed. There is sometimes a block to the serious disadvantage of the Junior members, and there is often great inequality, in promotion as far as it occurs. The service is then kept in a habitually "abnormal" condition, as regards pay and prospects. But what is of more immediate concern to the Finance Minister is, that promotion in the case of these Civil servants—whether blocked or retarded—is a serious matter to the State rather than to them, for the rule of granting compensation for "deferred promotion," which was, we believe, first adopted in the N. W. Provinces where the over-crowding of the service was greater than elsewhere, was extended in 1877 during the Viceroyalty of Lord Lytton to the other Provinces, and consequently the charge on this account has now almost become a permanent recurring charge. This annual charge, which in Bombay is nearly one Lac (£ 10,000), represents a portion of the price which the country has to pay for the original mistake of *over-recruitment* of the service.

(*c*) In case where there is no sufficient work for the new men as they come year after year, even after 4 years of sinecure service spent in learning their duties, some of these men are drafted into other branches of the service than those reserved for Covenanted Civilians. The incidental result is that the area of native employment in these, *i. e.*, uncovenanted branches which are specially intended for *native* ambition, is needlessly contracted, and that a costly element is introduced where it should not be and where a cheaper Native agency is available.

In view of these results consequent on the over-recruitment of the Civil Service which is going on more or less under the present arrangements, we would recommend that clear and definite rules may be laid down, for regulating annual indents for Civil Service recruits for this country, with due regard to the wants of the Public Service, and that power may be reserved to the Provincial Government to suspend the recruitment for a shorter or longer period if necessary, to remove the existing block or equalize the supply to the demand. This appears to us necessary both in the interests of economy and in the interests of the present members of the service.

Let us now turn to some of the other Departments of the Civil Administration. We shall first take the Public Works Department. Railways (productive, protective or ordinary) and irrigation works stand on their own footing, and the general policy of the state in regard to them, being governed by considerations other and weightier by far than purely financial or administrative, cannot offer a fit subject of inquiry in this connection. We shall, therefore, confine ourselves, in the following observations, to only one branch of it, that of P. Works ordinary. It is a sub-head of thisc lass of expenditure, which, whatever its necessity and extent of demand in the early years of administrative progress, admits of considerable reduction in view of the altered state of things at the present day.

Public Works ordinary, coming under the management of this Department, are classed as :—

(I). Military and Civil, according to their nature ;

(II). Imperial, Provincial and Local according to source of funds.

Under class (I)—the Military branch—are included works connected with the Army, such as Fortifications, Barracks,

Commissariat and Ordnance Buildings, Military rest-houses and cantonment roads; while the Civil comprises all buildings in connection with the various Civil Departments of state—Judicial, Police, Jails, Revenue, Educational, Medical &c.—Communications, Miscellaneous Public Improvements, Harbour works, Light-houses &c.

Works carried out from Imperial funds are (1) Military works, (2) Civil Buildings, in connection with such Imperial services as Post, Telegraph, Marine, Salt &c. and (3) Miscellaneous. The Provincial Governments have to pay out of their own Provincial funds for civil buildings for the use of their various departments and services, Communications and Public Improvements. Works paid for out of Local Funds are classed as Local, and include buildings, roads, improvements.

"Down to the time of Lord Dalhousie," writes Mr. Cotton in his Report, page 242, "the State concerned itself only with the making of a few main roads and with the construction of the buildings necessary for Military and Civil purposes. The general superintendence was entrusted to a Military Board for each of three Presidencies." In 1855, a special Department of P. Works in the Government of India with subordinate Departments for Bombay and Madras, was constituted and "no Department of the Indian Government," justly observes Mr. Cotton, "has grown at so rapid a rate as that of P. Works."

Taking the year 1840 as the starting point, the following figures are brought together, giving the total expenditure up-to-date on this class of P. Works, *i. e. Ordinary* :—

Year.	Millions £.	Remarks.
1840	·21	Thus, before the advent of Lord Dalhousie to office (1848), this item of expenditure was well within a third of a million per annum. But when large schemes of administrative improvement engaged the attention of the new Governor-General, large P. Works ordinary were undertaken, and the result was that the expenditure rose from ·36 in 1848 to close on a million (·90) in 1854 in 7 years. If the total for the last seven years (1848-54) be compared with the first eight years, it will be found that while in 1840-47 the total expenditure amounted to £ 2·51 millions, in 1848-54 it rose to £ 3·30.
1841	·27	
1842	·24	
1843	·19	
1844	·28	
1845	·26	
1846	·30	
1847	·26	
1848	·36	
1849	·40	
1850	·35	
1851	·46	
1852	·61	
1853	·55	
1854	·90	
Total ...	5·64	

The year 1855 which witnessed the constitution of this new Department in the Government of India, also marked a turning point in the history of British India. The work of conquest completed, the attention of the new rulers naturally turned to plans of internal improvement as well as to measures of administrative organization and imperial consolidation. This new policy of internal progress took a strong economic bent, and its principal object aimed at, was the development,—by means of material, almost to the exclusion of indirect and moral, influences—of the "unbounded" resources of the country. No Department, therefore, could have been started under better auspices or with a wider or freer scope for activity. The young Department of P. Works rose equal to the occasion. Expenditure on "reproductive" P. Works commenced on a high scale at the very start, and has been steadily rising higher and higher. Side by side with it, under the wing of the energetic new Department, another item of expenditure established itself and at a high point, too, and that was on account of P. Works ordinary. Such were the demands of administrative improvement particularly at the initial stage of organisation, that it was deemed necessary that the state should construct, by its own agency, within the shortest period possible, an adequate material apparatus of administration in the shape of buildings and roads &c. Accordingly, the expenditure on this class of P. Works which was 1·94 millions in 1855, the year in which the Department was created, rose in the 3rd year, 1857, to 4·34 millions. And now after the lapse of about 28 years, during which 137 millions have been spent on such works, we find that it stands at a still higher level than that of 1857, though it is not easy to conceive how the Departmental demand for new additions year after year to the material apparatus of administration could have attained to such a stout and vigorous growth as to necessitate the maintenance of such a charge, —which could only be purely *temporary* in its nature,—as a *permanent* recurring charge on the public treasury at a figure even a good deal higher than that of 30 years ago, in the altered conditions of to-day. The figures are these :—

As stated before, the total expenditure from 1840 to 1854 was 5·64 millions on P. W. ordinary. Since that year it has been as under :—

Year.	Millions £.	
1855	1·94	From 1855-58 = 11·73 millions.
1856	2·40	
1857	4·34	
1858	3·05	
Total..	11·73	
1859	4·29	From 1859-67 = 52·20 millions. [This total includes Guaranteed Railway-interest-payments which amount to 10·8 millions. So deducting this amount, we have 41·4 millions as net expenditure on P. W. ordinary.]
1860	5·17	
1861	5·37	
1862	6·37	
1863	5·97	
1864	7·05	
1865	6·72	
1866	5·13	
1867	6·13	
Total..	52·20	
1868	6·29	From 1868-78 = 50·53 millions.
1869	5·06	
1870	4·01	
1871	3·96	
1872	3·60	
1873	3·16	
1874	3·47	
1875	3·63	
1176	3·51	
1877	3·67	
1878	5·17	
Total..	45·53	
Add 5 millions spent from Local Funds, not shown in Imperial accounts.		Grand Total from 1840 = 103·66 millions.
Total ...	50·53	

This total (103·66 millions) includes the expenditur from all sources, Imperial, Provincial and Local, and both

classes of P. Works ordinary, military and civil. The works executed by the Municipalities out of their own Municipal funds are left out.

In 1878-79 the two classes of work were separated, Military from Civil, and the Military works grant per annum was fixed, on the average expenditure of previous years, at one million sterling. The expenditure since is shown below :—

Year.	Civil Works.	Military.	Remarks.
1879	2·95	1	
1880	3·36	1	
1881	3·97	1	Total from 1879 to 1886 = 38·85 millions.
1882	4·36	1	
1883	4·79	1	
1884	4·03	1	
1885	3·10	1	
1886	4·29	1	
Total...	30·85	8	

Summary—1840—54.....	5·64	Before the constitution of the Department, the expenditure was 5·64; it has been 142·51 millions since *i. e.* during the last 30 years at the average rate of 4·73 millions.
1855—58.....	11·73	
1859—67.....	41·40	
1868—78.....	50·53	
1879—86.....	38·85	
Grand Total.....	148·15	

Opinions differ as to the value or net out-come of so much expenditure, which is equal to 3 times the annual income of the Empire. But in a memorandum submitted to the Parliamentary Committee, Sir J. Strachey very vigorously defends the action of the Public Works Department in this, as in all

other branches, and explains the effects of this ex[redacted]
We quote the following from Justice Cunningham's [redacted]n
India and its Rulers ", pages 115-6 :—

" It is not too much to say, (writes Sir J. Strachey) that there was then (*i. e.* 30 or 40 years ago), comparatively speaking, little in India of what we now think the first necessities of a civilized administration. When I went from Calcutta to my first station in the N. W. Provinces, I was carried about a thousand miles in a box on men's shoulders ; there was no other means of travelling through the richest and most advanced and most important parts of India. Speaking broadly, roads and bridges had but begun to appear ; there were no canals to save the people from destruction by famine, or those that existed were on a very small scale ; there were few barracks in which English soldiers could live with tolerable health and comfort ; there were few jails, in which a sentence of imprisonment did not carry with it a serious probability that it would prove a sentence of death. The country at that time was entering on a phase of rapid change. The firm establishment of order was followed by improvements in all directions.

" Ten thousand things were demanded, which India had not got, but which, it was felt, must be provided. The country must be covered with railways and telegraphs and roads and bridges. Canals must be made to preserve the people from starvation. Barracks must be built, and every sort of sanitary arrangement be carried out.

" This was not only true in regard to matters of Imperial concern. Demands for improvement, similar to those which fell upon the central Government, cropped up in every city and in every district of this country."

After instancing the wants of Calcutta and Rangoon, Sir J. Strachey proceeds :—

" When I say that, to a great extent, the requirements of civilized life and modern administration have had to be provided for in India for the first time, within the space of a few years, I do not speak only of material objects, of roads and railways and canals and barracks and city improvements and so forth. The demand for improved administration has been so strong that it is not too much to say that the whole of the Public Services have been re-organised."

Sir J. Strachey's estimate in regard to the action of the P. Works Department generally will carry weight, and we may say with him, in special reference to expenditure on P.

Works ordinary, that large works of Public improvement have been executed, without which administrative progress on "modern" lines would have been impossible.

But it may be allowable to observe that the formidable total of Expenditure on this class of works given above (*i.e.* 148·18 millions since 1840 or 142·54 since 1855) represents certainly a course of what may be called a *high pressure* improvement. The average rate of outlay under this head, during the last 30 years, has been 4·73 millions per annum,—surely a heavy item of annual charge for a poor country like India.

Now, however, that after so much money has been spent in this direction, "the requirements of civilized life and modern administration" have been fairly met, and "the first necessities of a civilized administration" have been more or less provided for, and the material apparatus in the shape of buildings, roads, bridges &c. is already complete or is approaching completion, it would not be unreasonable to propose in the interests of economy that the high pressure at which the machine has been hitherto working in this branch of P. Works, should be lowered, and the speed moderated, so that this item of expenditure on account of Administrative convenience, more than for the nation's progress, may not exceed the just wants of the country as well as its ability to pay.

In the *Military* branch of this class, it is calculated that, since the mutiny year of 1857, about 14 millions have been spent on barracks alone for the use of European troops. The small item of Barrack furniture alone, in 8 years from 1873 to 1880, amounted to no less than £ 554,633 or nearly 7 lacs a year. The total expenditure on military works during the decade of 1873 to 1883 was £ 11·16 millions, *i. e.*, above a million per annum. The Civil works (buildings and roads) during the same decade cost 34·9 millions or at the rate of 3·46 millions a year,—certainly too heavy a rate of progress in the constitution of the Civil apparatus of "a civilized administration."

The apparatus, both *Military* and *Civil*, composed of those works of public improvement and administrative convenience, constructed at such cost in the course of the last 30 years, must now be sufficient for practical purposes, and as the claims of economy are ever paramount, it is necessary to see that expenditure on additions to it, whether useful or ornamental, should not go beyond the limits of urgent necessity. On the *Military* side, the requirements of the services should be closely

looked into. After an expenditure of upwards of 14 crores on the comfortable housing of European troops, the country can not surely continue to spend year after year, on new barracks and repairs to the old, at the rate of ¾ ths of a million, nor is it opulent enough to afford to pay at the rate of 6 or 7 lacs per annum for additions to the already splendid furniture of these Barracks. Similarly, on the *Civil* side, as regards *Civil buildings*, the intense love for works more ornamental than useful—which is shown by some of our æsthetically minded Provincial Governments—should be effectually restrained; Madras, for instance, must not, we think, be allowed, in these hard times, to claim from year to year increasing grants to be spent on political offices and *kacheries* for her Collectors and Tahasildars; nor should Bombay be encouraged to expect the state to spend lacs upon lacs any more on her civil buildings, as in Sind which is well-known for the beauty and splendour of her official buildings. As regards *communications*, the necessity no doubt exists for large expenditure, but here too, a limit might usefully be imposed. Already the major part of Local Funds (*i. e.* 1·5 millions) is devoted mainly to that object, conjointly with that of local improvements, and we are of opinion that the Provincial grants for the purpose should be a good deal curtailed. The "forcing" process does not always do much good; possibly the machinery runs the risk of wearing away and in the end breaking down. The country has long, long years before it, and can afford to go at a much slower rate—a rate most consistent with the safety of its other and more vital interests.

For our specific recommendations on the subject, we shall take the figures for 1882-83 (which do not much differ in their aggregate total from those for the current year), as given by Mr. Cotton in his Report in Sect. XVII, *Public Works*, pages 297 and 299. Later figures are not available. Let us begin with Military P. Works.

New buildings .....£361,752 Repairs .....£345,044 Barrack furniture .....£ 68,000 Establishment .....£201,312 Total £ 976,108	}	This includes the entire outlay on Barracks, Officers' Quarters, Hospitals, Fortifications, Commissariat and Ordnance Buildings &c. against which is the set-off of receipts to the amount of £44,306, leaving a net expenditure of £931,802 for the year.

Now we would propose that the annual grant for these works which is at present fixed at the high figure of a million should be cut down to £625,000 giving the country a net saving of £.375,000. The reductions might be distributed thus :—

New buildings .....£ 300,000	In the first three items the reductions proposed are not very large ; as barrack furniture, being only a matter of convenience and comfort rather than of necessity, can well be less splendid than before.
Repairs .....£ 200,000	
Barrack furniture ...£ 25,000	
Establishment .....£ 100,000	
Total £ 625,000	

Reduction in the cost of the Establishment requires a word of explanation. We borrow this suggestion from the *Englishman* newspaper. It proposes (in its issue of June 1, 1886) the abolition of the Military Works Department as a separate branch of the administration. The Military Works should be made over to the Provincial Governments, and one-half of the office establishments of the Executive Engineers of the M.W. Department should be placed under Provincial control and to assist the Provincial Engineers. The paper says ' the account work will be distributed among the existing Provincial account offices, and the whole of the expenditure on the Military W. accounts will be saved. The control of the local Government and of the Public Works Department of the Government of India will be sufficient, and no substitute for the Inspector-General and his expensive office will be required.' Our estimate of the reduction which can be effected by the abolition of the Military Works Department is accordingly as follows:—

Inspector-General and his office	...Rs.	100,000
Examiner of Military Accounts	...Rs.	100,000
6 Superintending Engineers at an average of Rs. 1,600 a month, including Military pay	...Rs.	115,000
9 Executive Engineers 1st grade at an average of Rs. 1,100 a month including Military pay	Rs.	118,000
8 Executive Engineers 2nd grade at an average of Rs, 950 a month including Military pay...	Rs.	91,000
8 Executive Engineers 3rd grade at an average of Rs. 800 a month, including Military pay	Rs.	76,000
6 Executive Engineers 4th grade at an average of Rs. 700 a month, including Military pay	Rs.	42,000

15 Assistant Engineers at an average of Rs. 400 a month including Military pay	Rs.	72,000
Travelling allowances, office establishments and expenses	Rs.	300,000
Total	Rs.	10,14,000*

We shall now pass on to consider the Civil Works Expenditure. The figures for 1882-83 are given by Mr. Cotton as below:—7

The total expenditure is £. 4,352,091 of which £. 584,929 is Imperial and £. 2,304,798 is Provincial. } The remaining £. 1,460,587 is contributed by Local Funds.

The analysis of expenditure is as follows :—

Civil buildings	£.	1,238,518
Communications	£.	1,243,264
Public Improvements	£.	137,541
Establishment...	£.	626,153
Expenditure by Civil Departments ...	£.	973,097
,, ,, in England	£.	82,238
Total	£.	4,352,091*

We shall leave untouched the expenditure from Local Funds (£. 1,460,587) and limit our recommendations to that from Imperial and Provincial Funds, together amounting to £. 2,889,727. The principle of fixing grants for the different branches of the service and thereby putting a limit to expenditure, certain and well-defined, which has been adopted in the case of Military Public Works, is, we hold, a very sound and wholesome principle, and we would advocate its extension to the civil side of our P. W. ordinary expenditure which is at present allowed to be always uncertain and variable at the discretion of the executive authorities.

Out of the total Expenditure of £. 4,352,091, the sum put down under head "Imperial" is £. 584,929 distributed as below :—

India general	£.	249,469
Expenditure in England	£.	82,238
,, ,, in the Provinces for Imperial services	£.	253,224
Total	£.	584,929*

Now first, with regard to the last item of £. 253,224 spent in Bengal, N. W. P., Punjab &c., under Provincial supervision for the

* There appears to be some discrepancy in these figures.

use of "Imperial services," such as post, telegraph, marine, salt, opium &c, our proposal is that it should be transferred to the Provincial Funds, and that the Imperial Government should stop this yearly grant of a quarter of a million out of its funds to the Provincial Governments for works which, though theoretically Imperial, are really Provincial and Local. In the second place, we would recommend that Expenditure in England should be cut down. The details of this item are :—

Royal Indian Engineering College	... £. 20,219
Salary and expenses of students in England...	... £. 6,605
Examination of candidates &c.	... £. 1,513
Stores, Absentee allowances, Furlough pay &c.	... £. 53,901
	Total £. 82,238

The first three constitute an item of expenditure (=£. 28,337) maintained for the purpose of securing a steady, requisite supply of trained talent from England. At a time when there was no trained agency procurable in the country, nor was there a prospect of attracting a sufficient number of men for the Indian Engineering service by open competition, and when the stress of work was heavy, special arrangements were necessary for getting a regular supply of recruits year after year for the P. W. Department. A special college had to be maintained for the training of youths in England, and to attract men to the college, that is, to the Service, even the salaries and expenses of students in the college had to be paid out of the Indian Exchequer. But it has now outlived its usefulness as did the Company's college at Haileybury in 1853. The Public Works Department is at present more than sufficiently manned according to Sir. J. Strachey (Vide his F. S. 1880). The amount and pressure of work are both diminishing. Engineering colleges in India are in a prosperous condition and are turning out every year plenty of trained men. Further, the attractions of the Indian service in general are now stronger in England than ever. Under these circumstances, the Cooper's Hill College no longer has any purpose to serve and therefore any reason to continue to exist. As the Haileybury College, maintained for the special purpose of recruiting the Civil Service, ceased to be necessary and had to be dispensed with, the service being thrown open to public competition ; so we propose, that this Royal Engineering College in England should now be similarly dealt with. The College should be abolished, and appointments in the superior grades of the P. W. Department

should be open to public competition. Already the supply of trained men that is pouring in into the country from this institution, is becoming a source of serious embarrassment to Government, as Sir J. Strachey declared from his place in Council in his Budget speech of 1880 ; and it is a notorious fact that, when recent reductions were carried out in the Department, about 300 Engineers had to be induced to retire with large gratuities. It is therefore only reasonable to suggest that the time is come for putting a stop to this special supply by abolishing the source. The net saving would not be very large, for while the gross charges of the College amount to £ 20,219, the net expenditure is £ 5,779, and the expenses of Engineer students are about £ 6,605, together making a total of £ 12,384—which would therefore be the extent of saving. But though the saving is only £ 12,384, the object to be secured is important ; for, as Sir J. Strachey says, " our P. W. Establishments are still larger than they ought to be, and the constant supply of young engineers that pours in from Cooper's Hill will, *if it be not speedily stopped*, prove a cause of renewed embarrassment and of useless and serious expense." (F. Statement, 1880).

This measure would bring down the amount of expenditure in England from £ 82,238 to £ 55,414. The item of £ 249,469 under " India general " is necessary for the wants of territories under the direct management of the Supreme Government, and we would not propose any reduction in it.

Thus the *Imperial Head* of Expenditure on P. W. Ordinary is reduced to £ 304,883 at which figure we would propose to fix it in future years.

India general	... £ 249,469
Expenditure in England	... £ 55,414
	Total £ 304,883

Coming next to Provincial expenditure on the works, we find the amount to be £ 2,304,798. The works are Civil Buildings, Roads and Public Improvements. We think that each of these charges can conveniently bear reduction, especially as the greater part of Local Funds is applied to the same class of Public Works Ordinary. We would fix future expenditure under this provincial Head on these works at £ 1,500,000, less than the present grant by £ 804,798, and add on to it £ 250,000 for " Imperial Works " in the Provinces to be transferred to Provincial control. Thus the net expenditure on

Public Works Ordinary out of Provincial Funds would be, under our proposals, £ 1,750,000 in place of £ 2,304,798 as at present. The reduction to the amount of £ 804,798 above proposed in Provincial Expenditure might be distributed over all the four items of it in various proportions suited to the circumstances of each Province. Civil buildings, and communications and Public Improvements should surely require, now, less expenditure than formerly ; for (1) repairs and small additions to the existing *civil buildings* are alone now necessary, and needless expenditure on those works, as in Madras and Sind, must of course be stopped ; (2) the necessity for outlay on communications is real, but if a larger sum than heretofore from Local Funds were devoted to the construction of roads, the want, we think, would be fully met consistently with a considerable reduction in Provincial expenditure on them ; and (3) so also, we would propose, Public Improvements should in future have a smaller allotment than hitherto. The Provincial Governments can cut down their expenditure on the establishment also : and we would recommend that the cost of the superior branches of the Engineer-Department should be retrenched by abolishing, on the ground of diminished necessity and difficulty of supervision, the staff of Superintending Engineers, in the various Provinces, who supervise the work of Executive Engineers, and are themselves subject to the control of Chief Engineers. The number of such Superintending Engineers whose work is connected only with P. W. Ordinary [the staff of railway and irrigation officers is separate] is 14 in Bombay, Madras and Bengal; and so, in these three provinces alone, the saving due to the proposed removal of this body of intermediary officers would be £ 26,880 at the average of £ 1,920 per officer per annum.

We would not propose to disturb the existing arrangements regarding expenditure on P. Works ordinary out of Local Funds.

Our recommendations may be summarised as follows :—

(A) *Militarg P. Works*—The annual grant should be cut down from £ 1,000,000 to £ 625,000.

(B) *Civil P. Works*—The total expenditure, which is now a variable and uncertain amount averaging above 4·35 millions per annum, be reduced to £ 3,515,470, being the total amount to be spent out of all kinds of Funds. Of this amount, Imperial and Provincial Expenditure should be strict-

ly limited to fixed annual grants, which must not be exceeded, except in "extraordinary" circumstances, in which, however, the outlay that should be necessary, should be met from special grants extraordinary. We propose,

(1) Imperial Expenditure be fixed at £ 304,883 per annum :

In England £ 55,414 instead of £ 82,238 as now, Cooper's Hill to be abolished.

In India £ 249,469

Total £ 304,883

and

(2) Provincial Expenditure be fixed at £ 1,750,000 in place of 2 millions and more as now :

Provincial proper ... ... £ 1,500,000
Imperial proper provincialized...£ 250,000 } 1,750,000

The net saving to the country, under these proposals, would be £ 1,209,842 as under :—

Military P. Works ... ... £ 375,000

Civil P. Works

(*a*) Imperial... ... £ 280,046
(*b*) Provincial ... £ 554,796 } £ 834,842
(*c*) Local ... Nil

Total £ 1,209,842

This is, then, the net amount which, in our opinion, can be saved in this branch of Indian Expenditure by means of the proposed measures of retrenchment without sacrifice of efficiency, administrative convenience, or progressive improvement. Further, the adoption of the principle of assigning fixed grants for *Imperial* and *Provincial Civil Works*, as is already done in respect of Military P. Works, would we think introduce what is at present wanting but is most desirable, in regard to this class of expenditure,—an element of certainty into Imperial and Provincial Finances.

Medical Relief, Sanitation, and Vaccination.—These three are cognate branches of one and the same service—viz., Public Health ; and we think they should be treated as such in administrative arrangements.

Until 1875–6, in some Provinces vaccination was a branch of the Medical Department under its own chief; sanitation, similarly, stood alone in some provinces, while in others, it was joined on to the Medical Department for purposes of administrative direction. In that year changes were made in several provinces. In Bombay, for instance, sanitation and vaccination were put together under the care of the Sanitary Commissioner, who was himself subordinate to the Surgeon-General, and thus, through him, these three branches of sanitation, vaccination, and medical relief were brought together under one departmental chief. In Madras sanitation and vaccination were under the Sanitary Commissioner, who had no connection with the Medical Department, and thus we had here two separate Departments under two chiefs. Similar arrangements were, we believe, adopted in Bengal and the N. W. Provinces; while recently within the last four months the Bombay arrangements have been assimilated to those in other provinces, and the Bombay Sanitary Commissioner is no longer subordinate to the head of the Medical Department with the rank of Deputy Surgeon-General.

We prefer the older arrangements regarding the union of the three branches under one chief, as being the best in point of economy and administrative convenience; and we would therefore suggest a return to them in all the provinces on uniform basis. The head of the Medical Department should have directive control over the three branches of medical relief, vaccination and sanitation equally.

Besides the constitution of a single Department for these three branches of the service, we propose further changes in respect of each as follows:—

(*1st*) Staff of the Medical department (civil side):—we have usually on the Staff in most provinces a number of Surgeons-major, surgeons, hon. surgeons, assistant surgeons,—all officers of high professional attainments in charge of civil hospitals, assisted by a large body of Hospital assistants, medical agents, apothecaries &c. doing the whole *executive* work of the service; over them are placed Deputy Surgeons-General about 5 or 6 in number in each province, and the whole department is under the direction of one Surgeon-General, who communicates with Government. Now the *executive* portion of the staff will not of course bear reduction, which must be adequate for the work it has to do; the operations of medical relief are every year

extending, and increase, rather than decrease, in the staff must be necessary in future years. But we would suggest a reduction in the supervising machinery. However necessary in the first years of organisation of the service, we are of opinion, that the staff of Deputy Surgeons-General is no longer needed. For unity of control in matters of Finance and organisation, we have a Surgeon-General at the head of the Department, and the nature of the executive work does not require that he should have under him a staff of intermediate superintending Deputy Surgeons-General; in fact the work is such as to preclude the necessity of such intermediate supervision,—especially when the executive staff of District Surgeons is of so superior a grade,—as well as even the possibility, in many respects, of any such supervision being usefully or effectively exercised. We, therefore, propose that this staff of Deputy Surgeons-General (civil side) in the Medical Department be abolished in all the provinces of the Empire. The saving, according to our estimate, would be about 6 lacs a year. In Bombay, Madras, and Bengal, the saving would be about 3½ lacs. The measure can be carried out, we think, in the interests of economy without in any way impairing the efficiency of the service.

(*2nd*) *Sanitation*:— (*a*) The sanitary officer in charge of the service is only a consulting officer; his work is strictly limited to collection of sanitary statistics, review, report, and advice. The practical carrying out of his recommendations on the subject of sanitary improvement, rests entirely with the local Executive. As at present arranged, the Sanitary Commissioner is usually a Medical officer of the first rank, and draws between 2,000 to 2,500 rupees a month. We do not think that such a highly-paid functionary is required in the interests of the Public Service. When *Sanitation* is handed over to the supervision of the Surgeon-General, head of the Medical Department, we are of opinion that an officer of a lower grade in the medical service on a monthly salary of, say, Rs. 1200, to serve as Sanitary Assistant to the Surgeon-General would be sufficient. The total saving by this substitution of sanitary Assistants for the present Sanitary Commissioners in the different provinces would be about 75,000 rupees a year. (*b*) Further the executive work of this Sanitary Department, which is at present done by the inspecting staff of the vaccination branch, is confined to gathering information, inspecting on the spot sanitary arrangements, and reporting on them. It might advantageously, in our opinion, be delegated to the Civil and Military Surgeons in

charge of District and Cantonment Hospitals, who will do it infinitely better than the Vaccination Inspectors. These Surgeons have already (on the civil side) to superintend the branch dispensaries in their respective Districts and therefore make annual tours of inspection in them. To their duties of medical superintendence, the work of sanitary inspection and report and advice cannot make any very large addition, especially as these officers are usually men of high professional training and experience and have also the additional advantage of intimate acquaintance with local sanitary conditions. They are already medical superintendents in respect of District Dispensaries and might as well be, without inconvenient addition to their work, inspecting visitors in respect of District sanitation under the direction of the Surgeon-General in both capacities. Our proposal, therefore, is that the work of local sanitary inspection and report should be transferred as a measure of administrative economy, intended to ensure increased efficiency, from the half-qualified inspectors of the Vaccination Department to the District Surgeons of the Medical.

(*3rd*) *Vaccination* :—In respect of this branch of the service, we are for a thorough recasting of the existing arrangements. These at present differ in different provinces, as briefly summarized below :—

Bengal :—The system is a dual one in respect of both work and superintendence.

The *work* is done partly by the dispensaries and partly by

(*a*) Paid vaccinators in the employ of the state, and

(*b*) Lincensed Vaccinators and Ex-inoculators, who practise vaccination on their own account under Government control.

Supervision is entrusted (1) to the District Civil Surgeons and (2) to a special staff consisting of circle Deputy Superintendents and Vaccination Inspectors acting under the Superintendent General.

Operations—The total for 1879–80 was 17,42,995. The greater part of the work was done by licensed Vaccinators and Ex-inoculators, the number of persons vaccinated by them being 10,21,432 *i. e.* more than ½ the total. In noticing a similar feature in the work of the Department

in a previous year, the Bengal Government wrote (vide Administration Report for 1877-78, page 416) as follows :— "From the readiness of the people to accept Vaccination from licensed Ex-inoculators, it appears probable that before long it will be possible to withdraw paid Vaccinators from several districts, and leave the work to licensed Vaccinators under efficient control and supervision."

Cost—In consequence of this system of self-supporting vaccination being organised in this Province on a large scale, and also owing to the employment of the services of the District Civil Surgeons in the work of supervision alongside of a special staff, we find the annual cost of the Department averaging about a lac and a quarter (Rs. 1,25,000, or one anna and two pies, for each operation, to the State.)

Central Provinces :—

The work is done by a paid staff of Vaccinators under paid supervision ; no private angency is recognised or is admitted to any share. The number of Vaccinators is 170.

Supervision—There is a paid staff. In the Administration Report for 1878-79, page 139, we find, " The Sanitary Commissioner is Superintendent-General, and a moiety of his pay is charged to this Department. In 17 Districts the superintendents are the Civil Surgeons, who are each assisted by a Native superintendent. In the other District (Nagpoor) there is a Deputy Superintendent."

Operations—The number of vaccinated persons in 1879-80 was 297,569.

Cost—The total for the year was Rs. 35,809 so that the cost to the state per operation was less than 2 annas (1 anna and 11 pies).

It is a noticeable feature of the Department in the Province that the work of supervision is so largely—rather almost wholly—entrusted to the District Civil Surgeons assisted by native superintendents.

N. W. Provinces :—

The work is wholly done by a paid staff under paid supervision. There is no dispensary vaccination carried out in the Province—a striking instance of the neglect to utilize the

service of a State-supported professional establishment, though available. There is of course no private agency recognised.

Supervision—The Sanitary Commissioner is the Superintendent-General with 3 circle Deputy Superintendents under him, assisted by a large body of Inspectors.

Operations—The number for 1878-79 was 759, 467.

Cost—The total cost in 1878 was Rs. 117,862 or 2 annas 6 pies per operation.

Bombay:—*The work* is done partly by the dispensaries and partly and chiefly by a paid staff of vaccinators, over 400 strong.

Supervision—Under the Sanitary Commissioner, who is Superintendent General as in other provinces, the staff consists of Deputy Superintendents, Circle Superintendents, Assistant Superintendents and Inspectors.

Operations—The number vaccinated in 1878-19 was 561, 968.

Cost—The total cost was Rs. 233,704 or about 4 annas per operation.

Madras:—*Work*—The agency is mixed as in Bengal, but the paid staff of vaccinators does the bulk of the work, Vaccinators practising on private account and the dispensaries doing but little.

Supervision—The supervising staff consists of an Inspector, and 1st and 2nd class Deputy-Inspectors, under the direction of the Sanitary Commissioner.

Operations—The number of persons vaccinated was about 521,760 in 1878-79. Private Vaccinators performed only 160 operations, and the Civil Dispensaries 397, while the rest fell to the share of the paid staff.

Cost—No information is available.

Briefly, the arrangements connected with this branch of the Service may be tabularly shown as under :—

Province.	Work.	Supervision.	Cost per operation.
Bengal	Dispensaries ... Paid Vaccinators ..... Licensed „ „	Civil Surgeons Paid special Staff	As. Ps. 1 2
Central Provinces.	Paid Vaccinators	Civil Surgeons aided by Native Superintendents and one Deputy Superintendent	1 11
N. W. Provinces...	Paid Vaccinators.	Paid special staff...	2 6
Bombay	Dispensaries ... Paid Vaccinators.....	Paid special staff...	4 0
Madras	Dispensaries ... Paid Vaccinators Private Do.	Paid staff	...

Thus it seems, that on the whole the Bengal system is the most economical, the cost to the state per vaccination operation being the lowest 1 anna 2 pies; while the Bombay system is the most wasteful, the charge to the state per operation being no less than 4 annas, or more than 3 times as much in Bengal.

Firstly, in respect of *executive agency*, the Bengal plan appears to us the best ; under it, Vaccination is rapidly becoming self-supporting ; a large body of licensed vaccinators and ex-inoculators is being developed to do the work under Government supervision. In course of time, therefore, as the Bengal Government hopes, the state may be in a position to withdraw its paid agency altogether from the field, when the only charge upon the Treasury on account of this service will be one of supervision only. It is the adoption of this system, therefore, in respect of executive work in the Vaccination Department in all the Provinces, that we would advocate in the interests of economy. A gradual introduction of self-supporting vaccination

by means of a private agency working under Government control would have further the advantage of enlisting, in the cause of medical relief reform, private interest than which no more powerful incentive to energetic work can be conceived.

Secondly, in respect of supervision, we prefer the arrangement existing in the Central Provinces. The work is here entrusted to the Civil Surgeons aided by Native Superintendents and is consequently more cheaply and, yet, more efficiently done than in other Provinces. We would, therefore, recommend the extension of this system to the other Provinces.

The adoption of this mixed system in regard to this service (vaccination), founded on a combination of the Bengal arrangements in respect of work and of the Central Provinces system for supervision, would leave little or no work for a separate staff of either vaccinators or vaccinating superintendents, and would make vaccination, what, in our opinion, it ought to be,—a branch of the Medical Department in point of administration. The Vaccination Department thus virtually dis-established, all that would be necessary would be to give the Head of the Medical Department a vaccinating assistant, say, on a salary of Rs. 800 per mensem, and to pay some remuneration to the Civil Surgeons in addition to the regular pay as Medical officers for additional work thrown on them, in respect of supervision in the branch of sanitation and vaccination. Both these charges (salary of a vaccinating assistant and remuneration to the Civil Surgeons) would not amount to more than a third of the present cost of the Vaccination Departments in the various Provinces. The net saving, therefore, to the Treasury would be $\frac{2}{3}$rds of this cost—say 6 lacs per annum.

Summary of proposals:—(1) there should be one Department for the 3 branches of Medical relief, Sanitation and Vaccination, under one head.

(2) The supervising staff of the Medical Department should be reduced by the abolition of Deputy Surgeons-General.

(3) A sanitary assistant should be appointed in place of the Sanitary Commissioner, on a salary of Rs. 1800 per month to assist the Surgeon-General.

(4) The Vaccination Department should be abolished as a separate branch of the service. The executive work should be gradually transferred to a private agency, and supervision delegated to the officers of the Medical Department at a fair

remuneration. A Vaccinating Assistant should be appointed to assist the Surgeon-General.

The net saving, estimated, is as below:—

		Rs.
(*a*)	Abolition of Deputy Surgeons-General	6,00,000
(*b*)	Appointment of the sanitary assistants to the Surgeons-General in place of the present Sanitary Commissioners	75,000
(*c*)	Abolition of the Vaccination Department as a separate service, the work being transferred to the Medical Department	6,00,000
	Total Rs. ...	12,75,000

This saving can be effected, in our opinion, under the arrangements recommended, with increase of efficiency rather than otherwise.

THE FOREST DEPARTMENT.

I. *Character of the Service*:—As at present arranged, Forest conservancy is, in a *fiscal* point of view, a semi-Provincial, semi-Imperial service. For administrative purposes, however, it is Imperial and is placed under central direction. The Forest Department, though organized according to Provinces, is under the control of an officer of the Supreme Government, who is styled Inspector-General of Forests. He has a special staff attached to his office, comprising "a Superintendent of Forest Surveys and a Superintendent of Working Plans," a forest survey and a working plan being the two main divisions of the professional work of the Department. The Forest Surveys are in full working order and the system of working plans is in course of development. "A working plan comprises an estimate of the stock in a forest at any given date, of its annual increase, of the amount that may be removed yearly, and of the measures required for keeping up the supply and it is the duty of the Superintendent of Forest Plans to prepare such estimate himself or to approve those submitted by local officers, and to watch over their due execution." The survey work is eventually temporary, and so is, therefore, the survey establishment. But the staff of executive Forest officers

under the Superintendent of Forest Plans is a permanent establishment, charged with the administration of the service which is thus thoroughly centralized under the control of the Inspector-General at Calcutta.

II. *Constitution of the Service* :—"For local purposes, the Forest Department is classified into Circles, Divisions, and Ranges, which vary in area according to the proportion of forest that exists in different parts of the country. A Forest Circle, the highest unit, is the charge of a Conservator, and is usually co-extensive with the area of a Province, though some Provinces contain more than one circle. A Forest Division is the charge of a Deputy Conservator and is usually co-extensive with the District, though in not a few cases, when forests are few and unimportant, it includes several Districts. A Forest Range, the lowest unit, consists of a part of a District and is placed under an Assistant Conservator or a Ranger according to circumstances" (Vide Cotton's Report, page 203).

The staff of the Department is divided into *superior* and *subordinate*. The superior staff consists of Conservators, Deputy Conservators, and Assistant Conservators. They are all "Europeans originally nominated in England bythe Secretary of State, subject to an entrance examination and a course of professional study." Including Madras and Bombay, they number 104 of whom 15 are Conservators, and the rest Deputy Conservators and Assistant Conservators; 100 are posted in North India, 21 in Bombay and 19 in Madras. They consitute the staff of forest supervision and direction.

Under these officers of the superior staff, there is a large subordinate staff of Sub-Assistant Conservators, Forest Rangers (or Overseers) and foresters, who are all natives specially trained for the service. They do the whole executive work of the Department.

Thus the Forest Department of India is like the Post and the Telegraph, an Imperial Department under the direction of an Imperial officer, with a triple machinery of intermediate supervision working under him. The work, being essentially local, is entrusted to the local establishments on its executive side; but all directive control is exercised from a single Imperial centre through Provincial media.

Such an organization of a service, which is peculiarly local in its character and requirements, can not be, in our opinion, either good or economical as a permanent organization. In

cases of this kind when the general interests of the empire demand that there should be, in the management of the service, unity of plan and purpose, and of basis and method, central direction is highly useful and necessary at the initial stage in departmental construction. But after this stage is passed, and and the service is placed on sound and uniform basis with definite rules of procedure, centralization, we submit, obviously loses its *raison d'tre* and therefore should cease. Directive supervision, exercised from a single Imperial bureau over the local executive operations of a Department, embracing in its range of management an area even larger than that of the whole of Western Europe, cannot possibly be effective, however energetic, and must be *paper supervision* and perhaps worse. The action of the Central Office of direction, wherever it should choose to interfere, is likely to be, oftener than not, in wrong places and in wrong ways in respect of local matters and, besides leading to friction and irritating controversies, to have the effect of weakening motives for economy and care on the part of the local executive officers of the Department.

We would therefore advocate, in the first place, a change in the character of the service. The selection of Forest areas for special conservation and Government management is, we think, the most difficult and at the same time the most responsible part of the whole work of the Forest Department. The work is of Imperial importance and should be guided by Imperial (*and not Provincial*) considerations, such as those relating to the climatic and physical conditions of the country as a whole, to protection of various exposed tracts of territory from drought, to the securing of an equable rainfall, and the guarding of the sources of important rivers, the clothing of the hill and mountain sides &c. It should not, in our opinion, be left to the discretion of the Provincial Governments, which, in their irrepressible zeal for false progress in big figure totals might often forget the real objects of State Forest conservancy and permit their Forest officers to make year after year increasing additions, whether useful and necessary or not to their Provincial "reserved" and "protected" forest areas, as it is at present being done in the Southern Circle of the Bombay Presidency, regardless alike of the real climatic wants of the country, or even of their respective Provinces, or whether the operations needlessly trenched upon the vested rights and interests of the cultivating peasants or private proprietors. The work of Forest surveys, with a view to such selection of Forest areas, should be conducted, as it is at present, under central

direction by means of a central agency and completed once for all, throughout the country like the cadastral survey from which it does not much differ.

But the Forest survey over and the lines of a general Forest policy laid down, the work, we think, of the Supreme Government in the matter of Forest conservancy is done. When Forest areas are chosen and demarcated, the work of Forest executive administration in connection with "Forest Plans" should be provincialized, general plan and general principles being alone prescribed by the Central Government for the guidance of the Provincial Governments as in the management of Provincial Finance. Forest conservancy, look at it how you may, is in every sense a *local* service and can be managed best only *locally*, and should therefore, in our opinion, be treated as such in any administrative scheme. The Local Governments alone have the requisite machinery for effectually controlling its finance and organisation.

Passing on from the *character* to the constitution of the service, we would propose that "Forest Survey" should be detached altogether from the work of "Forest Plans," the two branches being entirely distinct, just as the cadastral survey has nothing to do with the administration of the Land Revenue. The work should be made over to the Department of Revenue Survey, and the agency of that scientific service should be utilized for the purpose. So far as the Bombay Presidency is concerned, we know that in early days of the Forest Department the demarcation or survey work was done by the Revenue Department; and as the Land Revenue and Forest Departments are closely allied, there is a fitness of things in entrusting the work of Forest Survey and demarcation to the Revenue Survey Department. One great advantage of such an arrangement is that it will ensure due regard being paid to the agricultural interests which is not now done. The officers of that Department should, in the matter of Forest Survey, be under the direction of the Inspector General, the Chief of the Forest Department, whose duty it should be to lay down general rules for the conduct of operations and check the results, if necessary, by personal tours or with the aid of the officers of the P. W. Department whose labours lie in the same field, and whose advice he should be officially entitled to claim. With the transfer of Forest Survey to the Revenue Survey Department, the necessity for maintaining a special Superintendent of Forest Survey on the staff of the Inspector-General, with

a numerous army of Field Surveyors under him, will disappear, and the whole establishment, can, in our opinion, be conveniently abolished. A large saving can be thus effected without loss of efficiency or convenience. Further, as the Survey operations advance in the various Provinces, under the Revenue Survey parties, the Inspector-General should proceed, on the data so obtained and verified, to determine, in consultation with the local executive Forest officers, the selection of Forest areas Province by Province, and to formulate his recommendations in a report on each year's work to the Supreme Government, which before arriving at a final decision may, if it thinks necessary, give the Provincial Governments an opportunity of expressing their views on the subject. After such survey and such selection of Forest areas are complete, the Supreme Government should, in our opinion, leave nothing to itself to do in this matter beyond exercising general control "from outside." The services of the Inspector-General should then be dispensed with, and the administration of Forest conservancy should be made over to the Provincial Governments.

The service provincialized for administrative purposes as we propose, the Superintendent of "Working Plans," attached to the office of the Inspector-General, will have no work to do, and should be abolished, and the constitution of the Forest Department remodelled in accordance with the requirements and convenience of the various Provinces. A double change seems to us necessary, especially in the interests of economical management.

(1) The existing Imperial distribution of Forest executive charges into Circles, Divisions, and Ranges, which are not in most cases conterminous with the civil divisions of different Provinces, should be done away with as no longer necessary or convenient, and both made to coincide with each other.

(2) In each province, Forest conservancy should be, as once it was, an integral part of the civil District administration in something more than a name. When the Survey is over, and with it, the selection and demarcation of Forest areas, half the professional work of the Department is done, and in respect of the other half, that of the local forest management, the head civil District officer should have, we think, more than a consultative voice and should not be merely a mechanical and useless channel of communication between the District Forest officer and the Circle Conservator, as at present he virtually is.

We would, after this double change, recommend the reconstitution of the Forest Department on some such lines as the following:—

Each Province should have a Conservator at the head of its Forest Department, who should communicate with Government, and should be its consulting officer in respect of Forest conservancy generally. He should have, as now, controlling authority over the Finance, organisation and discipline of his department, but in all matters of local forest management, his functions should be, as at present nominally they are, those of advice. Eight Conservators would be sufficient, one for each of the Provinces,—India general, Bengal, Assam, N. W. Provinces and Oude, Punjab, Central Provinces, Bombay and Madras,—and the present staff, which consists of 15 Circle Conservators, might be cut down by 7.

Next, the staff of intermediate supervisors, acting between the head of the Forest Department and the local body of Forest Rangers (or Overseers), also admits of considerable reduction. It at present consists of Deputy Conservators and Assistant Conservators (numbering 125 in all) assisted by Sub-Assistant Conservators. Assuredly, such a triple machinery of intermediate supervision in connection with such a service as Forest Conservancy, in which the work, being more less concentrated over particular areas or blocks, is simple and easy for purposes of control, cannot be deemed absolutely necessary for the effective protection of the public interests; particularly after the system of "working Forest Plans" is properly developed and put into order. The ordinary administrative district staff should be, in a more active and real manner than at present, associated with the work of Forest supervision, and further, we recommend that the Local Boards and Committees, wherever practicable, may be given a large share and a direct interest also (in the shape, say, of commission or good service rewards) in local forest supervision. The services of village headmen and local Inamdars should also, in our opinion, be utilized for the purpose. With such *outside* agencies available for control, we think, the Provincial Governments should reduce a good deal the regular supervising staff of the Forest Department. It is as at present constituted, 125 strong, taking only the Deputy and Assistant Conservators. We would give each Commissioner or Divisional officer one Deputy or Assistant Conservator to be his adviser or Assistant in Forest matters, according as local Forest work is more or less important. There are at present 37 Divi-

sional Commissionerships in all India, and therefore 37 or say 40 of these 125 Forest officers would be sufficient for the real requirements of the service. Here therefore, there is much room for retrenchment without loss of departmental efficiency, and we would content ourselves with drawing the attention of the Finance Department to the fact that the State at this day maintains at an enormous cost to the treasury a body of about 80 officers whose services, however useful in other days, will not for some years to come be permanently required, under the changes above suggested, which can be carried out without loss of efficiency for the public good.

Finally as regards the District Forest administration, after the removal of Deputy and Assistant Conservators to a higher sphere of duty with the Divisional Commissioners, we would suggest that each District should have as its Forest officer a Sub-Assistant Conservator of Forests assisted by Forest Rangers in the management of Taluka work.

Such a reconstitution of the service would, in our opinion, not only give us a large saving, but result in increased departmental efficiency in respect of Forest Conservancy. The estimated saving is about 6 lacs per annum. Our proposals may be thus summarised:—

(1) That there should be no centralized administration of Forest Conservancy; Forest Survey should be carried out under central direction by the agency of the Revenue Survey Department. The office of the Superintendent of "Forest Surveys" with his special staff should be abolished. The survey over, the Inspector-General should determine the selection of Forest areas to be conserved, with the aid of the local officer of the P. W. Department, and lay down a general plan and a general system in respect of Forest administration for the guidance of local Forest officers. This done, there should be no Forest Department in the Government of India. The services should be provincialized.

(2) That the Forest Department should be reconstituted in each Province thus:—One Conservator at the head of the Department and one Deputy or Assistant Conservator with each Divisional Commissioner; one Sub-Assistant Conservator as head District Forest officer, aided by the Forest Rangers. The rest of the supervising staff should be abolished. For purposes of local supervision, the District administrative staff and the Local Boards and Committees, as well as village headmen

and Taluka Inamdars, should be utilized wherever availabl The services of 7 Conservators and 80 Deputy and Assistan Conservators might be dispensed with under these changes.

MINOR RETRENCHMENTS.

Post:—The General Post Offices of Bombay, Madras, and Calcutta cost the Treasury about £ 12,000 per annum. These three offices, located in the capitals of the three Presidencies, representing the machinery of Provincial control, which is however now a thing of the past in respect of this Imperial service which is thoroughly under central direction, serve no purpose and have in fact outlived their usefulness. Owing their origin to a system of things long since gone, they are now only a useless historical relic, and for this reason and others briefly stated in the Introductory section of this Note, we would propose that they be abolished. The next saving would be £ 12,000 a year. The centralized organisation of the service leaves nothing to be desired in the direction of supervision.

Mints:—Of the Bombay and Calcutta Mints, it is notorious that the Calcutta mint does not always pay its way. It costs on an average £70,000 per annum. We suggest that it may be closed, the staff of the Bombay mint being strengthened and the machinery made adequate to the demands of additional work that would be thrown upon it. The cost of increase in the Bombay Mint establishment need not exceed 2 lacs a year, and thus the net saving to the state by this measure of retrenchment would be about £ 50,000.

Until 1869 there were three mints in India, working in the three Presidential capitals. But in that year, the Madras mint was closed for want of sufficient work and we have now only two. The comparative work of these in the 10 years from 1871 to 1880 is shown in a table below:—

Coinage in 10 years.

Year.	Calcutta.				Bombay.			
	Gold £.	Silver £.	Copper £.	Total £	Gold £.	Silver £.	Copper £.	Total £.
1871	3,994	474,712	6,121	484,827	...	1,243,685	.....	1,243,685
1872	15,412	1,080,009	25,049	1,120,470	149	610,385	.....	610,534
1873	31,795	1,045,953	11,012	1,088,760	...	2,934,961	.....	2,934,961
1874	15,498	790,909	14,461	820,868	...	1,579,097	.....	1,579,097
1875	14,034	1,771,462	105,786	1,891,282	...	3,125,422	5,238	3,130,660
1876	17,150	818,346	84,416	916,912	...	1,731,872	24,244	1,756,116
1877	.....	2,079,285	107,385	2,185,670	...	4,191,831	16,044	4,207,551
1878	15,636	5,151,821	133,220	5,300,677	...	11,028,505	15,371	11,043,876
1879	.....	2,324,475	66,648	2,391,143	85	4,886,275	.....	4,886,360
1880	14,604	2,135,416	67,300	2,217,320	126	8,121,551	.....	8,121,677
Total...	128,123	17,672,388	621,398	18,417,929	360	39,453,584	60,897	40,514,517

The total coinage of Gold, Silver and Copper for all India in these 10 years amounted to £ 57,933,576, thus distributed :—

Gold	...	...	...	...	£ 128,483
Silver	...	...	...	...	£ 57,125,798
Copper	...	...	...	...	£ 679,295.

The work of the Calcutta Mint is represented by a total coinage of £ 18,418,929, while that of the Bombay Mint amounted to a total of £ 39,514,647, or, in round number, out of the total coinage of about 58 millions the Bombay share was 39·5, that of Calcutta 18·4. Thus in these 10 years, the Calcutta Mint, which costs almost quite as much as the Bombay one, did not do even half as much work.

Gold coinage is now almost stopped and copper is a subsidiary coin. Therefore, the bulk of coining operations is connected with Silver, and the work of the Government mints at Calcutta and Bombay is chiefly dependent upon the annual imports of Silver into the country. In normal years it is wholly so, and it is only in exceptional years of famine or distress, that a portion of the silver supply for coinage is drawn from the ornaments and hoardings of the people.

Here then, in the annual importations of Silver, we have an accurate measure by which to form an approximate estimate of the future prospects of work at the two mints. The following table gives the imports of Silver for Bengal and Bombay for 30 years from 1854-55 to 1883-84 :—

Imports of Silver.

Year.	Bengal.	Bombay.	Total for British India.
	£.	£.	£.
1854-55	326,520	983,920	1,145,137
1855-56	4,356,630	3,719,244	8,792,793
1856-57	5,502,627	5,825,987	12,237,695
1857-58	6,228,114	5,946,565	12,985,332
1858-59	3,343,052	4,443,742	8,379,662
Annual Average.....	3,951,389	4,123,892	.....

Year.	Bengal.	Bombay.	Total for British India.
	£.	£.	£.
1859–60	6,666,410	4,664,085	12,068,626
1860–61	2,271,818	3,467,993	6,434,716
1861–62	2,445,241	6,636,464	9,728,800
1862–63	2,874,636	9,957,925	13,627,401
1863–64	2,306,816	10,825,136	14,037,109
Annual Average...	3,317,044	7,110,221	.....
1864–65	4,016,895	6,327,836	11,488,320
1865–66	6,687,652	12,182,878	20,184,407
1866–67	4,672,523	3,481,840	8,655,433
1867–68	2,778,206	3,869,054	6,999,450
1868–69	2,817,548	6,667,519	9,978,978
Annual Average...	4,194,565	6,505,360	.....
1869–70	3,143,463	4,834,846	8,264,107
1870–71	630,036	1,791,243	2,662,249
1871–72	2,834,626	4,884,283	8,000,035
1872–73	251,739	1,444,779	1,934,214
1873–74	1,472,158	2,379,824	4,143,729
Annual Average...	1,666,399	3,000,936	.....
1874–75	2,236,188	3,445,862	6,051,810
1875–76	515,016	2,633,530	3,464,331
1876–77	2,421,590	7,252,081	9,594,408
1877–78	4,420,780	11,076,166	15,776,532
1878–79	1,367,152	3,995,368	5,595,699
Annual Average.....	2,212,145	5,680,602	.....
1879–80	2,441,114	6,902,462	9,605,002
1880–81	945,524	4,766,057	5,316 156
1881–82	922,789	5,429,131	6,466,389
1882–83	1,307,065	6,888,463	8,358,022
1883–84	1,125,988	6,023,591	7,408,506
Annual Average.....	1,348,496	5,881,940	.....
Total.....	83,450,040	161,668,555	259,790,454

Thus the quinquennial averages are:—

Year.	Bengal.	Bombay.
1854-55—1858-59	3,951,389	4,123,892
1859-60—1863-64	3,317,044	7,110,921
1864-65—1868-69	4,194,565	6,505,360
1869-70—1873-74	1,666,145	3,000,996
1874-75—1878-79	2,212,399	5,680,602
1879-80—1883-84	1,348,496	5,881,940

Thus, of the total imports of Silver during the 30 years from 1854-55 to 1883-84, which amounted to nearly 260 millions, Bombay and Bengal had between them 245, leaving only 15 millions for the other Provinces. Of these two, again, Bombay imported 161·6 and Bengal 83·4 millions, so that the imports into the latter Province average only one half of those of the former. The proportionate work of each of the two mints closely corresponds to this relative ratio of imports of silver into the two Presidencies.

Looking, however, to the quinquennial averages for each of the Provinces and to the annual imports, we find that the tendency in Bengal is to a fall-off. Ever since 1866-67, the imports of silver into that Province had been more or less on the decline till in 1883-84 out of the total imports amounting to £7,408,506 for all India, the Bengal share was only £1,125,988 while the Bombay figure was £ 6,023,591. Later figures are not available, but comparing the quinquennial averages for 1879-80—1883-84 with those for 1854-55—1858-59, we notice a striking difference. The Bengal average fell from £ 3,951,389 to £ 1,348,496, while that of Bombay rose from £ 4,123,892 to £ 5,881,940. We may, therefore, say that most of our imported silver,—as much as $\frac{6}{7}$ of the whole,—now comes to Bombay, barely $\frac{1}{6}$ going to Calcutta, and that the current has set in in this direction ever since 1866-67.

Such is the course of trade in respect of silver imports, and if the work of our Government Mints is, as Mr. Cotton observes, entirely dependent on that course in normal years, it is not unreasonable to assume that *coinage* will, in future years, increase at the Bombay Mint, and decrease at the Calcutta one.

Already, as shown before, the Bombay Mint does more than twice as much work as the Calcutta one, the exact ratio being 2·4 to 1, and as the tendency of Silver imports to centre more and more in Bombay developes itself, the Calcutta mint will have before long little or no work except in respect of copper coinage. The nearest Mint to the port of arrival would also be the most convenient for coining purposes to the importing merchant. Therefore we may say that neither the convenience of the merchants nor the interests of commerce would seem to require that, besides a Mint in Bombay, which can serve the needs of the situation for all practical purposes as the bulk of the Silver supply comes there, there should be another at Calcutta and that, too, maintained generally at a loss to the Public Treasury. Further the concentration of coinage work at one central Mint would conduce to economy in management, unity of control, and cheapness of work.

The service, of course, must be, as it is at present, strictly Imperial and under Imperial direction. But if one central Mint, located in the commercial capital of the Empire, suffices for the convenience and interests of commerce, there is no reason, apparently, why another should be kept up in the political Metropolis of India, except it be for satisfying the sentimental susceptibilities of Calcutta.

We, therefore, recommend that the Calcutta Mint be closed, the staff and machinery of the Bombay one being strengthened to meet the pressing increased work. The net saving would, according to our estimate, be no less than five lacs per annum.

WAYS AND MEANS OF MEETING THE ADDITIONAL ARMY EXPENDITURE.*

As the increase of the Indian Army is now a *fait accompli*, the question of "ways and means" of meeting the additional military expenditure thus rendered necessary becomes a question of paramount importance.

The Secretary of State for India, in his Budget speech of 6th August 1885 in the House of Commons, attempted a brief review of the present condition of the Indian finances, and drew the attention of the House to a "sudden change of position, political, and financial," consequent on the changed aspect of affairs on the N. W. frontier. In order that the House might understand what that change meant (in pounds, shillings, and pence,) Lord Randolph Churchill observed that it had "now to look to a permanent increase in the military charge, which might amount to something like £ 2,000,000, and which could hardly be reduced below £ 1,500,000." After detailing the measures called for by the requirements of the new military situation, such as the formation of new Goorkha regiments, additions to the native cavalry, increase of British troops &c., Lord Randolph Churchill proceeded to suggest "the ways and means" of meeting the additional outlay. Among others, he stated that the Government of India might have recourse—

(1) To loans :—"But that resource" said his Lordship, "ought only to be had recourse to with great caution," as the present interest charge on debts incurred is over 11 millions.

(2) "To diversion of part of the Famine Insurance Fund :—but there would be considerable objections to that course."

(3) To fresh taxation. In regard to taxation, there were three courses open :—

(*a*) "The License-tax" might be "re-cast," "re-arranged," and "extended ;" and added Lord R. Churchill, "I see no objection to that course, as the present is perhaps a favourable opportunity for its adoption."

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* This paper was published in the Journal of the Poona Sarvajanika Sabha, April 1886.

(*b*) The Income-tax might be re-imposed; this course has been finally adopted, though it was admitted that it was not a course free from difficulty.

(*c*) The Salt-tax might be raised; but in doing so, Lord R. Churchill imagined there would be enormous difficulties.

(4) To the abrogation, or revision, of provincial contracts.

(5) To economy in Productive P. Works expenditure, or rather a curtailment of it, as also to general retrenchments.

After submitting for the consideration of the House large proposals of such serious import, all or any of which might be adopted to meet the cost of the contemplated army-increase, the Secretary of State for India, with that calm philosophy and dignified equanimity which so fitted a truly Imperial statesman, looking on the situation through the enchantment of distance across 10,000 miles of the blue seas, went on to assure the House that "there was nothing in this financial condition of India to cause alarm," and that it would be a complete error to "imagine" that the Indian Finance was not perfectly capable of adapting itself to the circumstances, and enduring even heavier charges than those indicated.

These five proposals, viewed as a whole, may be reduced to two heads, viz.,

(1) Borrowing money for the purpose of defraying the additional military charges.

(2) Meeting it by increase of taxation. These are very serious proposals, and as we have seen already, they have found practical embodiment in Sir A. Colvin's financial statement of March last. That statement makes it pretty clear that the settlement arrived at is only temporary, and has no elements of permanence. No thought has been given in the hurry of the moment to the question of retrenchment and the possible enhancement of the Income Tax, or further addition to the Salt duties, are spoken of with ominous gravity as quite possible contingencies, while little or no hope is held out of a possible re-imposition of the import duties and only a vague promise of retrenchment is made in the distant future. It thus becomes necessary to discuss the whole question from the Indian tax-payer's point of view. Accepting the addition to

our Army charges as inevitable, we have now to see whether the policy of the Government of India in dealing with this crisis admits of reconsideration.

Lord R. Churchill's first proposal, that of loans, standing by itself, seems to be perfectly unintelligible, unless it is taken in conjunction with his other proposals regarding the Famine Fund, and curtailment of the P. W. Budget Grant. The three proposals, taken together as parts of one measure, seem to us to formulate what some will regard as a complete financial scheme for meeting the new charge of two millions, or possibly more. It was suggested by the Secretary of State that the P. W. expenditure, for which Government is allowed to raise between 2 and 3 millions a year by loans in England or India, might be cut down to safe and more convenient proportions. In other words, the proposal is that the sanctioned amount of money to be spent anually on Productive Public Works, chiefly railways or irrigation works, should be borrowed year after year, and part of the loans, so raised for such a purpose, appropriated for army-services, so that there might be no need of a resort to new borrowings on account of the military charges; and the annual interest-payment should be made out of the proceeds of the old License and the new Income tax which have imposed as make-weights to equalize the burden on traders and professional or official classes of State taxes hitherto too exclusively raised from the agricultural classes. The Secretary of State apparently thinks, that the Famine Insurance Fund and the P. W. Grant cannot be better utilized than in paying part of the cost of the machinery of national protection from war which is as serious a danger as famine.

Now this proposal of defraying part of the annual recurring expenditure of the country by means of loans, and going on adding year after year to the indebtedness of the country professedly for pure administrative purposes, is certainly a most extraordinary financial proposal, and were it not for the fact that it has been put forward by a responsible minister of the Crown in an official financial statement, it would scarcely have been worthy of serious consideration. While statesmen of high authority like Mr. Gladstone, and economists of high eminence like Mr. John Stuart Mill, advocate the policy of defraying even *extra-ordinary* charges, such as war-charges, out of current revenue, as a just and wise financial policy, here we have an Indian Secretary in his place in Parliament, submitting for adoption this proposal that a portion of the *ordinary* expenses of

the general administration should be paid out of borrowed money, for which interest alone was to be charged against current revenues. It is certainly wonderful that such a dreamy proposal, coming from a responsible minister of State, who prides himself on his practicality and foresight, and upon his being far removed from the lulling influences of the languor of this land of the lotus, should have provoked not a single word of adverse comment or criticism in the House, while a side party attack on Lord Ripon led to a most lively debate. It is a fact which speaks volumes as to the way in which questions of grave importance, affecting the welfare of the millions of this dependency, are discussed and disposed of in the British Imperial Parliament.

Whatever may be said of its insidious character, there is no doubt that this proposal has the advantage of possessing simplicity and facile opportunism. (1) It obviates the inconvenient necessity of resorting to additional taxation of an "exasperating" nature, and shunts off to a distant future all idea of a re-adjustment of existing taxation for meeting this increase of military charges. (2) It has further the advantage of reducing the *re-curring permanent* additional charge to a scarcely perceptible amount, for the increasing interest-charge on this new debt will be met by means of an expanding License and Income tax. (3) As no new loans would be necessary, the proposed arrangement would be also free from the difficulty of requiring public consent to fresh taxation measures. Paliament has already sanctioned the annual borrowing on account of Productive P. Works expenditure, and the proposal only involves a new appropriation of the monies so raised: Such a division being justified on the ground that the end to be kept in view in either kind of expenditure was the same, viz., the protection of the nation from war or famine.

The objections to such a scheme both on grounds of honesty and justice are, however, so obvious that we shall content ourselves with only stating here a few of them :—

(1) First, it is impolitic and unfair to pay ordinary charge of current expenditure out of borrowed money, and throw an increasingly heavy charge on future generations. That current expenditure should be met from current income is one of the first principles of sound finance; and no scheme is worthy of serious consideration that goes counter to it.

(2) The proposal, if accepted, would lay down a most dangerous precedent. It would leave no motive for enforcing *present* economy with due regard to prospective safety, and by lightening the present pressure of public burdens, would induce a blindness to the real facts of the situation, and lull the public mind to sloth and slumber over prospective dangers, to receive only "a rude awakening when it was too late to mend."

(3) The present debt of India is already close on 260 millions, including guaranteed railway debt; and the interest-charge is over 11 millions and a half annually. The cost of remittance,—or which is the same thing, loss by exchange on the remittance account,—is already a million and a half. Thus the present indebtedness of the country is such that the annual charge of interest and exchange on the current revenues is no less than 13 millions, taking the guaranteed railways as really Government railways under a different name. The impolicy, therefore, of adding without limit, and at a regular and progressive rate, to the general debt year after year,—and that not for the purpose of developing the productive resources, and thereby the tax-paying powers of the country, but solely for Army Services,—is obvious; and therefore any proposals tending in this direction of increasing the country's foreign liabilities for interest must be viewed with extreme "caution," particularly in view of a threatened further fall in Exchange owing to the probable action of the U. S. Government, in the matter of the repeal of the Bland Act.

(4) The proposal contemplates a diversion of the Famine Insurance Fund from its original purpose, for interest payment on account of the military charges, which would be a breach of faith on the part of the Financial administration of the country, and would "exasperate" public opinion which reconciled itself with great difficulty, and under protest, to the imposition of the License-tax on the faith of the most solemn assurances and binding promises voluntarily given by the Government of Lord Lytton when it was first imposed.

The whole proposal of meeting the cost of the contemplated increase of the Army by means of new loans is such that the nation has only to understand it in order to see its absurdity and impolicy, as well as its unscientific and unfair nature. And with this remark, we take our leave here of what we might call the *borrowing* proposals of Lord Randolph Churchill. We feel sure that the judgment of the impartial public, both in India

and in England, has already condemned this plan without reprieve. We pass on to the *taxing* proposals of his Lordship which appear to be of a more serious and practical importance. We will begin with his 4th proposal viz.,—the abrogation, or revision, of the Provincial Contracts.

Lord R. Churchill proposed, if we correctly understand his language, to revise the existing provincial contracts, and on revision, to abolish, in part at least, the present scheme of periodically settled provincial allotments. In Lord Churchill's opinion, assignments for Provincial expenditure, out of Imperial revenues, should be regulated year by year with strict regard to the changing necessities of the Empire as a whole, and he sees obvious and great risk in tying up the hands of the Central Government, by entering into such contracts for long or short periods with the Local Governments. This proposal opens up the whole question of the de-centralisation policy inaugurated by Lord Mayo's Government, and developed on existing lines by Lord Ripon,—a question of vast importance, with which, however, it is not our object to deal with on this occasion. Practically for our present purpose, we might regard the new proposals as leading to a curtailment, for the advantage of the Imperial expenditure, of the existing provincial grants, and thereby leaving the Provincial Administrations to recoup themselves by additions to their provincial resources. The advantage of it lies in the fact that the imperial wants might be thus met by the existing resources without the necessity of having recourse to additional taxation of a more or less "irritating" character for imperial purposes, and the odium of fresh taxation for Provincial needs might be shifted to the local Governments. The theory is that Provincial expenditure should be met out of strictly provincial income, and Imperial charges defrayed out of non-provincial and general receipts. So that any extension of imperial taxation proper might be avoided. All future additions to taxation would be purely *provincial*, instead of being *imperial*. Questions of additional taxation being provincialized would be at once removed from the arena of Indian Imperial Finance as such, and becoming local will lose all point and interest as imperial questions for national consideration. Lastly, when this arrangement will be carried out, new taxation proposals will take such form as might be best suited to the habits and circumstances of the Provincial populations.

This is a bold and dangerous proposal, and aims at abrogating the provincial needs as they grow. It seems to us to be,

however, open to two very serious objections, besides the one above indicated. (1) It would necessitate year after year, as the requirements of Empire increase, increasingly large additions to our Provincial rates, which fall under the present arrangements *exclusively* on our trading and agricultural classes, and have the effect of (to use Sir S. Northcotes's language) "overloading" the very "springs of our national trade and industry." These classes besides, it should be borne in mind, contribute the major portion of the existing Imperial taxation, and are entitled to relief, if relief can in any circumstances be given, from Provincial burdens. The proposal under consideration shuts off all chances of such relief. (2) In the second place, under the scheme of Provincial taxation for Imperial purposes,—which in fact it is,—the flourishing foreign interests in the country will go untaxed. Already the whole system of *imperial* taxation is so ingeniously constructed that these foreign industries pay absolutely nothing beyond a mere trifle, and it is perfectly evident that no *provincial* extension of taxation could be so planned as to reach the opulent foreign merchants. The proposal would leave them undisturbed in their present enjoyment of almost perfect immunity from taxation.

On these and other grounds, therefore, we are strongly against the contemplated interference with the Provincial Contracts, and with the decentralisation policy on which they are based, as involving almost certain extensions of provincial rates, and a form of imperial taxation of a most dangerous and objectionable character.

We now proceed to the consideration of the third proposal of the Secretary of State. It covers the whole ground of the increase of imperial taxation of a direct nature, and relates to the License-tax, the Income-tax, and the Salt-tax. We will take up the last part of the suggestion first, namely that which contemplates an increase of the Salt-tax.

This proposal, to meet the additional outlay on account of the Army increase by an enhancement of the Salt-tax, is a most tempting proposal, and it is on that very account we feel that we are bound to protest against it in the strongest terms. There is a fatal disposition in some quarters to regard it as a "financial reserve." Even Lord Ripon spoke of it directly in that sense. It is looked at in much the same light as the Income-tax in England, as a very convenient engine in the hands of the financier. In times of emergency, pressure might be put on it

to cover a financial deficit, or to meet an additional charge, without noise or trouble. Official opinion has been always taught to look upon the Salt-tax as a sound and safe resource in India. It is often urged by the official defenders of the tax that it is the only national tax that can reach all classes of the community. No other tax, of equal and general incidence, it is significantly added, no other form of taxation can be devised so ready and convenient to hand in the special circumstances of India, that can really touch the vast mass of the population. This is, to say the least, certainly a very weak line of argument for our Stracheys and Colvins to take. In the first place, it is difficult to understand—and the texts of Political Economy do not help us here,—why there should be one or more such a national reserve as the Salt-tax. Is it not enough that the total taxation of the State—whatever it is, whether high or low,—is so adjusted as to distribute the total public burdens on all classes of the community in a fair and equitable manner? And can it be really a task beyond the skill of our financiers to devise a scheme of taxes which will embrace within its scope and reach the different sections of the people each in its own way, measure, and degree? Sound Political Econmy surely cannot countenance a resort to such a hateful impost as this Salt-tax for the sake of fiscal symmetry and abstract comprehensiveness. Let us look a little deeper, and try to understand the real nature of this impost, and also the working of the prevailing finance policy in connection with it.

Salt is a necessary of life; it is an article of food both for man and beasts; it is an article of manure; and on its supply depends the whole fish-salting industry. It is also an important national industry itself, in which the whole coast population, as well as a large part of the inland population, is more or less deeply and directly interested.

The Salt-tax is thus not only a tax on a prime necessary of life, but is also an industrial impost, and under this double aspect, it appears to us to be a far worse tax than even a poll-tax of the corresponding amount. For a poll-tax, pure and simple—whatever odium might attach to it as such,—is a poll-tax, and nothing more or beyond. When we pay it, we are free from any further disturbance on its account. Not so with the Salt-tax. It taxes our food, it starves our land and cattle, and also affects our means of livelihood as a nation.

Historically speaking, such a tax, as Mr. Cotton remarks in his Decennial Report of the Material and Moral Progress of India (page 159, part I), had no large place in the fiscal system of the country under native Governments, and that "the prominence given to Salt as a source of revenue is due in Bengal, as in other parts of India, to British fiscal policy."

The tax is professedly a tax on a necessary of life, and truely partakes of the nature of a poll-tax on every man, woman, and child in the country, and as such offends against one of the fundamental principles of fair taxation. It is a tax of an indirect kind, levied from the dealer or producer, and the fact that while it brings into the treasury 4s. a maund, the price paid by the general public for the commodity is 6s. 6d., points to an evil of no small magnitude. The tax besides is unequal, because of its equality, and therefore unfair in its incidence. The merchant prince and the cultivating peasant pay nearly the same amount, and neither the Bengal Zamindar nor the European merchant of Bombay pays more of the tax than the toiling Ryot of the Konkan. The equality in the amount paid is a false equality, it does not imply true equality—namely, the "equality of sacrifice." And it is obvious that the poorer the man, the burden falls more heavily upon him. The poor agriculturist who has cattle to feed and fields to manure, who looks upon salted fish as his only dainty, does he not pay more than his fair share of this tax? The Bhandaries of the Konkan, the Koonbees of the Deccan districts, the Kolis, and Bheels of Berar—can they be said to come in only for an equitable share of this burden! Do the richer classes feel the pressure of the impost as much as the poorer! If not, the difference marks the measure of the inequality of the burden as it falls on different classes. And in all financial discussions, the one question for the practical financier is not, whether the total burden of taxation is heavy or light on the general population,—which is a point of practical politics,—but whether, taking the whole body of public burdens, it is equally and equitably distributed; not whether taxation as a whole is heavy or not as compared with the means of the country to pay, but whether as it is, the weight of it falls on all classes in just and equitable proportion to their ability to pay. And looked at from this and no other point, the inequality involved in the incidence of this tax would furnish strong considerations against the proposed enhancement.

In connection with the incidence of this tax, we may note that the increase or decrease of consumption, following varia-

tions in the duty levied, has a meaning which must not be mistaken. Certainly it is not the upper classes that are expected to decrease their consumption of salt or increase it, because of the raising or lowering of the duty on it. And when we are told (vide Strachey's Statement 1879-80) that general consumption has increased in Bengal owing to the reduction of the duty, or that " the rate of consumption for the whole Bombay Presidency was 9·9 lbs per head in 1879, and had increased to 11·7 lbs in 1882-83 " (Cotton's Report, 161st page), we must look for the cause of the increase in the consumption of other than the richer and well-to-do classes. It is the poorer classes —the cultivating peasant, the agricultural labourer, the poor fisherman,—people who cannot get even a full day's meal for a full day's work, the millions who, according to Dr. Hunter and Mr. Elliott, live on one meal a day, these are the greatest sufferers by such an impost. And when these poor, starving, and suffering people eat more salt when it becomes cheap, and less when it is dear, in other words increase or diminish their daily consumption of an article of food, which, in India at least, is, next to air and water, a prime necessary of life, as the duty on it is less or more, it can be easily concieved how hard must be the struggle for life with such classes. What a terrible privation must an increase of such a hateful and barbarous impost mean to these humble classes ? Lord Randolph Churchill in England, and Sir A. Colvin out here, may propose with a light heart, and without counting the poor people's suffering, an increase of the tax, for the operation is so simple that the change in the duty can be effected by a stroke of the pen or a message by the wire, but surely no such step can be taken without inflicting positive injustice and additional suffering on the poorer classes.

Nor is this all. There is another aspect of this question of the Salt-tax which has not received the attention it deserves, but which must not be overlooked, particularly as it affects our economic growth in an essential and vital particular. This tax, as remarked before, is an industrial impost of a most serious nature ; and let us inquire for a moment, and see what has been the effect of the present Salt-tax policy on one of our industries, which once furnished means of subsistence to a large part of the coast and inland population. A few facts and figures bearing on this important point demand anxious study.

Mr. Cotton's Report states that the gross Salt Revenue was 6·18 crores in 1882-83, having risen three hundred per cent from 2·6 crores, which was the figure for 1842-43, in 40 years. The net revenue, after deducting collection and other charges, was $5\frac{1}{2}$ crores, or nearly 7d per head of the population under British administration.

Year.	Revenue.
42-43	2·69 millions.
52-53	3·17 ,,
62-63	4·56 ,,
72-73	5·16 ,,
82-83	6·18 ,,

Great changes have taken place in the rate of the duty since 1843, and these changes are shown in a marginal table. The duty was different in different provinces in 1843, and continued to be so down to the mutiny-period. In 1860-61, it under-went a change, and was increased all round. Another reconstruction took place in 1877-78, and a rough equalisation was effected by raising the duty in Madras and Bombay, and lowering it elsewhere. Lastly, in 1882-83 the equalisation was almost complete, and a general levelling of it to 4s. was carried out. Sir John Strachey was the first minister to attempt this equalisation, and Major Baring completed it, but not by raising the duty. Sir J. Strachey, in reply to a representation on the subject made by the President of the Salt Chamber of Commerce of Cheshire and Worcestershire, said (p. 94, F. Statement, 1780) 'it is an essential part of our policy to equalise the duties.'

Year.	Bombay.	Madras.	Bengal	Punjab	N. India.
	s.	s.	s.	s.	s.
1843	1-6	3	5	4	3
1860	3	...	...	5	6
1878	5	5-4½	5-6	5-6	5-6
1882	4	4-4½	4	4	4

This equalisation of the Salt duties in the different provinces had the effect of putting on the same footing native and foreign salt. Imported salt was rather a gainer than loser by the changes made. Coming as ballast in merchant vessels, and paying only nominal freight, it could easily beat out of the market salt of native manufacture. As long as Bombay and Madras salt was under-taxed, it retained its footing in the markets of Northern India, and could compete with Cheshire and other imported salt, but the equalisation had the effect of

a bounty or bonus so to speak, to the importers and confined the native salt to the provincial areas of its manufacture. The following table will be found interesting in the connection:-

Revenue.	India general.	Bengal.	Br. Burmah.	Madras.	Bombay.	Total.	Remarks.
	£	£	£	£	£	£	
Sales of Government Salt.....	205,636	...	...	1,342,853	37,375	1,585,864	Sale proceeds.
Duty on inland customs line ...	1,274,832	...	...	2	1,357	1,276,211	Sale proceeds.
Excise on local manufacture ...	34,154	72,953	3,481	42,179	1,315,750	1,468,317	Local manufacture.
Duty on English imports	...	1,444,465	12,940	124	176	1,457,725	Imported.
„ other imports.	...	302,796	...	3,160	1,156	307,112	Imported.
Miscellaneous	...	...	...	...	...	82,552	
	1,369,496	1,836,514	16,421	1,390,853	1,364,495	6,177,781	

It will be necessary to note a few details before the proper significance of these figures can be understood. The details of Salt-revenue supply an index to the sources of Salt-supply. In Northern India, the duty is levied on the Inland customs line, and is really an excise duty on salt manufactured at works belonging to Government. In Bengal, the greater part of the revenue is obtained by a customs duty on imports by sea; in Madras from sales of salt manufactured under Government monopoly, and in Bombay by an excise duty on local manufacture.

The above table deserves careful study, as throwing light upon the present state of our great Salt industry. The sources of Salt supply are now (1) Government monopoly, (2) importation by sea, and (3) local manufacture. Of the 6·18 crores of Rupees raised from the tax on Salt required for our annual consumption, Government supplies represent 2·9 crores of revenue, the foreign importer contributes 1·8 crores, and local manufacture 1·5 crores, or in other words, Government produces for us by its own direct agency nearly half the quantity, the foreigner brings into the country for our use nearly a third, and the local manufacturer has to be content with producing only one quarter of the annual supply. Thus before the combined monoploy of of Government and the foreign importer, the native producer is being driven out of the field! Let us see how this disastrous change in the national industry has been brought about, and in what direction it is tending.

In Bombay, and Bombay alone, local manufacture holds its own; it has died out elsewhere. The Bombay Salt Department was constituted in its present form in 1873, and was further developed on the same lines in 1882. It is under the charge of a Collector of Salt Revenue, with Deputies and Assistant Collectors, and with a numerous supervising and preventive staff, numbering 5,926 men in all. The sole aim of all recent changes has steadily been to bring under complete control the manufacture, storing, and sale of Salt. Small and isolated works have been suppressed, the depots of supply have been limited, and areas of manufacture contracted. Thus is our local manufacture trammelled and controlled in the only province where it still maintains its foothold; and the tendency of the presents arrangements is to establish virtually a Government monopoly under the name of a controlling agency.

The Salt Department of Northern India directs and controls the Government monopoly of manufacture in the Punjab, N.

W. Provinces, Oude, Central Provinces, Berar, Rajputana, Central India, and Behar. It is under a Commissioner with a staff of 190 officers and 4,939 men; and these have the charge of the manufacture of seven millions of maunds *i. e.* half the quantity required for the annual consumption of the whole population. The local manufacturer has no place in the system and all native industry in Salt may be said to have died out throughout this vast area.

In Madras, there is again the Government monopoly established as long ago as 1805. The system remains for the most part unchanged, except in the rigour with which the monopoly is enforced. Some private rights of manufacture and sale of Salt which existed before, were recognised, and compensation was given to the proprietors for abolishing them. The whole manufacture is now in the hands of a Government agency, under Government control. Down to 1877, the manufacture of Salt, except on Government account, was strictly prohibited in the Presidency. But since that year, an excise system has been introduced to encourage local manufacture. There has been however no improvement in the situation worth mention. The manufacture still remains a close Government monopoly.

In British Burma, the supply is obtained both from local manufacture and foreign importation. But Mr. Cotton observes that the native industry is everywhere on the decline, *owing to the consumption of imported Salt.*

"But it is in Bengal, above all that we are brought face to face with a most disastrous change, which gives us a timely indication of the serious and dangerous tendency of the present fiscal policy in relation to Salt. The importation of Salt dates only from 1818, nor did it acquire large proportions until 1835. In 1780, Warren Hastings introduced a system of Government monopoly, somewhat similar to that which now prevails in Madras. With certain modifications, the monopoly system continued till 1862, when it was gradually abolished, leaving the supply of Salt, whether by importation or excise manufacture, to private enterprise. Excise manufacture was first tried in 1835 and authorised in 1847. It is still carried on to a considerable extent in each of the districts of Orissa, and to a small extent in the District of the Twenty-four Parganas on the Gangetic sea-board; but the industry does not thrive, and the quantity manufactured has steadily decreased of late years. In 1883,

Cotton's Report, page 159.

the manufacture ceased entirely in the Twenty-four Parganas. The quantity of locally manufactured Salt in Bengal in 1882-83 was only 287,846 maunds." Thus in Bengal the supply comes from abroad almost wholly. The history of the collapse of the native industry in this unfortunate province is marked by three striking stages :—

(1) Local manufacture of Salt in Bengal was stamped out by the Government monopoly of production between 1780 and 1835. Government stopped local independent production, and undertook to supply salt manufactured by its own agency, while it freely permitted importations by sea.

(2) Having produced its full mischief, this policy was changed too late between 1847-62, when the local industry had been long since dead, and imported Salt had taken a firm hold of the local market. Local manufacture, subjected to excise-duty, was invited to compete with importing enterprise. Under such circumstances, the conditions of the competition were unequal and local industry was at a disadvantage, and having to work its way against heavy odds, has not revived.

(3) On failure of local enterprise, without chance of recovery, the importers became masters of the field, and imported Salt got a monopoly of the market.

The Government has not lost a whit by any of these changes, and is as sure as ever of recovering the whole of its Salt Revenues from the Province. It may even be said that it has gained considerably. It has no longer a cumbersome monopoly to manage for fiscal purposes ; and the full revenue comes without the inconvenience attaching to the older system. The importer of Cheshire and Liverpool Salt pays the tax, and the full amount of it. Again the consumer has not lost much ; his Salt comes, as come it must, as surely as before, the source of supply alone being changed. He gets it now not from the native manufacturer, but from the foreign importer, and gets it equally cheap, if not cheaper. The sufferer and the only sufferer has been the native manufacturer. It is he who has lost his calling by this change, and has probably been driven to the plough.

This decadence of the Salt Industry in this Province brings out in painful and prominent relief the full effect and tendency of the present fiscal policy of Government in the matter of the Salt tax. The total decline of the industry in Bengal marks a *transfer* of it, by skilful fiscal manipulation, to foreign hands.

If such has been the fate of our Salt industry in Bengal, can we be sure that it does not stand in similar danger in other parts of the country too? In "Northern India" *i. e.*, all the Northern Provinces, except Bengal, the Government monopoly is strictly maintained. Local manufacture is crushed, and importation freely allowed. In Madras, however, a relaxation of the monopoly has commenced since 1877, in much the same manner in which it was attempted in Bengal 30 years ago, ostensibly in favour of local production. But when the local industry has been so long in a state of paralysis and suspense, and imported Salt is permitted slowly to fight its way into the field, we cannot help asking the question, whether the Bengal tragedy is to be played out again! Coming nearer home, we find in Bombay that local industry is no doubt permitted still to live, and though there is yet no monopoly of production in the strict sense of the word but only most grasping control, still when we find that large local Salt-pans, such as those in Ratnagiri, have been closed for purposes of effective control, a strong preventive agency is maintained, areas of manufactures are dangerously contracted, and depots of local supply are limited in number,—it is almost impossible to believe that the fatal Bengal policy is not here too being pursued, though in a disguised form, without the intermediate stage of monopoly.

If this repressive policy continues to work, the danger of a complete transfer of the whole Salt industry to foreign hand is not too remote, and we only do our duty in calling public attention to it. The results of the Salt-tax policy as at present developed may be thus summarised :—

(1) One of our first national industries is almost destroyed. In Bombay it is dying a lingering death, while in the other parts of the country it is dead.

(2) Government has secured a complete command of Salt manufacture for fiscal purposes, having ousted the people by prohibitive and preventive regulations from the field. The sources of supply, the sea-board, the lakes, the Salt mines &c., are entirely under its control. The revenue of the state is strongly and effectively protected and secured, and the only inconvenience of the arrangement is that a vast administrative machinery has to be maintained for the purpose of managing such a cumbrous monopoly. Government would indeed be glad if any way could be pointed out to get rid

of the troublesome business without, of course, endangering the revenue. The removal of the prohibition upon local manufacture in the Madras Presidency in 1877 is one proof among others of such a wish and such a feeling. The revenue secured, and the wants of the consumers supplied by an unlimited supply of the commodity, Government would not trouble itself with the inquiry who produces and supplies salt and makes money by it.

(3) The worst has come to pass in Bengal. The industry has changed hands, passing from native manufacturers to foreign importers. The Bengal collapse shows that Government is not by any means disposed to keep in its hands the monopoly of a vast industry which it has thought fit to wrest from the people for revenue purposes, but is willing to admit the foreigners to a share of this monopoly.

As far as the action of the duty as an industrial impost is concerned, these results are so disastrous that they compel attention.

The fiscal policy of Government in this matter viz., of appropriating a whole industry of the nation for no other than revenue purposes, is a most extraordinary policy, without precedent or example. We have a magnificent sea-board, large Salt lakes and Salt mines, which afford great advantages for Salt manufacture. We have wealth at our very door, but we are not permitted to utilize it. We have, by the grace of God, splendid resources within our reach, but we are not suffered to turn them to account; and why? For enabling the State to derive a large and secure revenue. May we ask, without meaning to distract the official conscience, what moral or political right has Government to prevent us, its native subjects, from freely producing this necessary of life for our own daily wants? The equity and expediency of the case apart, we are bound to say that a Government that is spending millions upon millions—with the laudable object of developing the material resources of the country,—is simply taking up a most inconsistent position in thus adhering to the policy of debarring its subjects by a prohibitory code of regulations, from turning to use one of these very resources of material wealth. Is it free trade or good finance to oust the people from a vast and remunerative industry? Is it not better, nobler, and safer to leave the industry in the hands of the people themselves, and tax only their profits? Indian finance is said to be inelastic, but we might ask, where lies the cause of its inelasticity, if not

in the badness and unsoundness of the existing fiscal system, which while securing nearly the whole income of the State from the poorer, starving and struggling classes, leaves untouched the profits of the wealthy merchants, whether native or foreign, the earnings of vast European enterprises in the country, and the luxuries of the rich and well-to-do consumers, and hesitates, even in times of pressure, out of fear of interested clamour or of the criticism of a powerful press, to devise forms of taxation which will reach the pockets of these classes? If the expenses of the administration are heavy and growing, Government can tax the nation's profits, the nation's income, the nation's expenditure, but it is surely against all ideas of justice or prudence to drive away the people from one of their largest fields of industry.

We maintain that the fiscal system is perfectly capable of reconstruction so as to give our revenues any necessary amount of elasticity. New taxes can be devised which, while fully meeting the requirements of the financial situation, will render unnecessary any further continuance of the Salt duty, which operates not simply as a tax on a necessary of life, but also as a hateful industrial impost, and is thus worse than a poll-tax. It is on these accounts that we condemn not only the Secretary of State's proposal to raise the salt tax, but also the existing salt duty, and its policy as fraught with serious danger.

We have dwelt on this subject longer than we had intended, for, much misapprehension seems to prevail as to the nature and working of this tax and Sir A. Colvin has hinted in clear terms that it may become necessary to raise it in order to meet the additional outlay on army services. The tax is unnecessary, unfair, unequal, and disastrous in its working, and therefore we protest against its being maintained as a part of the permanent taxation of the country.

It is unnecessary to discuss the question of the joint License and Income Tax which has been recently imposed by Lord Dufferin's Government to make both ends meet.

As another taxing proposal, we would advocate the imposition for revenue purposes of a uniform duty of 1 or 2 per cent. *ad valorem* on imports by sea. Such a customs duty as a fiscal resource is, in our judgment, free from all objection, and might be incorporated into the permanent fiscal system of the country. (1) In the first place it cannot be objected to as a protective duty. It would not work as such, because such a small duty could not have any appreciable effect on the position of the foreign imports in our markets, so as to "bonus" or protect

home-grown articles. The articles of foreign merchandise imported into our country have already secured such a hold upon our market, that they cannot be affected in any way by a light impost, or nor can it improve the position in the local markets of the Indian manufactures as competing with foreign articles, undeveloped as the former are at present. (2) In the second place, such a small duty as the one we propose, would throw no inconvenient or hard burden on the consumer. The general body of our present imports does not consist of food supplies, or supplies of raw material, which it would be unjust or impolitic to tax even for revenue purposes, but is made up of articles of luxury or convenience, and are for the most part manufactured articles. So that even if the price of these imported articles be slightly raised by the action of the proposed duty, the consumer being for the most part well able to buy them, cannot in justice complain of the burden which he can well bear, but which, if he so chooses, he can well avoid by a little sacrifice of enjoyment. As far as the present state of demand for foreign imports in the country is concerned, we shall not be far wrong in saying that it touches only the upper fringe of society, and does not yet reach the main bulk of the population. The proposed duty will, therefore, fall where it should and conveniently fall on those classes that can afford to pay it, and not, like the present Salt tax, on classes least able to bear it. (3) Thirdly, the duty though so light as one or one and half per cent, would bring in a large revenue in the shape of customs. As a fiscal measure, it is equitable in its incidence, putting the burden where it can well be borne. But further it has very strong recommendation in its favour. Such a duty as a permanent part of the revenue system might serve as a financial reserve, which could be utilised in times of pressing emergency without difficulty or inconvenience.

While thus suggesting such a general customs duty on imports, we are not prepared to support the proposal of the Madras Chamber of Commerce for the re-imposition of the Cotton Duties; for such an impost, however disguised, assumes the character of special class imposts, devised and maintained for special purposes. It would be felt as a grievance, and rouses the hostility of large and powerful class interests that would be aggrieved, and it would be utterly impossible to maintain it as a part of the general system of taxation. For this reason, if no other existed, we would not join in a recommendation for the revival of the cotton duties, which would re-open the irritating controversies of three years ago, though at the time the repeal

was carried out, we protested against the step as a needless and unwise surrender in the then circumstances of the Financial situation.

Our present proposal rests on an entirely different basis. It is a general Customs duty, not a particular tax. It is a customs duty on all imports alike, and not a particular tax on a particular class of imported commodities. It is fairly a revenue duty, and not in any correct sense a fiscal measure of a protectional tendency. And to such a proposal we see no objection of any practical validity or force, except perhaps on theoretical grounds of abstract Free Trade.

We can here but cursorily mention that a succession duty, sugar duties, tobacco tax, a tax on marriages have been suggested by great financial authorities, and they will have to be examined on their own grounds in a separate article. Thus far we have confined our attention to the various ways of raising additional taxation. But it is clear that this is by no means the only way available to us. The end can be as effectually attained by economy and retrenchment. Large measures of economy are quite possible in the various branches of the Indian administration; reduction in the Home Charges is by no means difficult or impossible, provided there is the 'will' to carry it out. And we will here content ourselves with suggesting one measure of retrenchment which has not received any large measure of public attention. We refer to the reduction of the present interest charge on our Indian debt.

The following figures show how matters stood down to 1882-83 :—

(Mr. Cotton's Report, pages 103, 279, 281, 299.)

Kind of debt.	Amount.	Charge.	Rate.
	£	£	per cent.
Government of India debt "General"	97,050,806	3,997,469	4·1
Irrigation debt	20,750,856	809,091	3·9
State Railways	36,002,952	1,226,702	3·5
East India Railway	34,824,452	1,703,398	4·8
			average.
Total	188,629,066	7,736,660	4·2
Guaranteed debt	73,785,230	3,317,873	4·5
Total	262,414,296	11,054,533	

Thus the whole Debt of India, inclusive of Guaranteed Railways, is nearly 262½ millions, and the total of interest charged on its account is 11 millions. This is a very heavy charge, and any scheme that might be suggested for its reduction is worthy of the most attentive consideration.

The table above given brings out the fact that the rate of interest on the guaranteed debt is considerably higher than that on Government debt. While we pay for the latter kind of obligation at 4·2 per cent., or excluding the East India Railway debt, less than 4 per cent., the charge for the former ranges above 4·5, the difference being nearly ½ per cent. or even more, and yet we know that both these kinds of debt rest essentially on the same basis, viz., the credit of the Indian Government. The cause of the difference is to be found in the mode of borrowing adopted in the two cases. The Government debt, whether general or productive Public Works, is raised directly by the Secretary of State on Government account on the security of the Indian revenues, while the different Railway companies are allowed to borrow on their own separate account, helped to float it by the Government Guarantee. The security is felt by the investing public to be greater in the former than in the latter case, and consequently the terms on which loans can be raised by the one or the other agency differ considerably. The money market is more free for Government purposes than for the transactions of the guaranteed companies, and yet we know that the responsibility of the Indian Treasury is not one whit the less, whether the capital is sought by the Secretary of State, or by the Directors of a Company.

Here then there is room for reform. Though the interest for the Guaranteed debt is paid out of the earnings of the guaranteed railways, we are vitally interested in the question of interest, inasmuch as Government is responsible for the whole interest in case of failure, and also is entitled to a share of the net profits. The question arises of what possible advantage can it be to the various Companies, or to the State, that the subscription of the public should be invited by the respective boards of such companies, instead of by the Secretary of State? The question thus raised suggests its own solution. (1) The state should borrow for the purposes of the different Railway Companies on the same principle as it borrows for all other purposes, and should cease to allow the different companies to raise the capital on the credit of the State; (2) The new general Railway debt should be administered by the Bank of England; and

(3) facilities should be given for conversion into the new general Railway debt the guaranteed stocks of existing companies. These three propositions sum up Mr. Cohen's scheme for reducing the interest charge on account of guaranteed debt by over ½ per cent., and we heartily support it, and hope that it will receive from Government the attentive consideration it deserves.

We would, for our own part, go further than Mr. Cohen, and suggest that the whole debt of India, including guaranteed, should be placed under the guarantee of the British Government. As things stand at present, the Indian Government can borrow in the money market only at 4 per cent., and its whole debt stands at this rate and a trifle over, having been contracted at different periods, and under different circumstances, while we find that the Imperial debt of Great Britain and Ireland pays not more than 3, or at the highest, 3½ per cent. This gives the difference between the two rates of over ½ per cent. Why this difference? It is due to the inferior credit of the Government in the money market, as compared with that of the Imperial Government. Under the present arrangement, the Indian Government goes into the market for borrowing on its own account, in its own name, and on the security of its own revenues, and as its credit is not so good as that of Great Britain and Ireland, it finds it necessary to raise its loans on less advantageous terms than those on which the English Government can borrow. And yet, it is true that the Indian Government appears as a borrower, only in a subordinate capacity as a branch of the English Government, for the ultimate responsibility for the whole financial position rests with the Imperial Government in England. It may well be asked, why it is that the Indian Government is not permitted to go into the market professedly on that basis with the British guarantee. A nominal change of basis and security is all that is necessary to put matters right in this respect. The British Government should give us the benefit of its direct guarantee for our national debt obligation. The advantages of such a system would be very great. The market will be much

more free than it is, for the borrowing transactions of the Indian Government, and the net interest charged might be reduced by per cent. and even more, thus giving us a clear saving on Government debt alone of nearly a million per annum. This would be a direct money advantage; but the political advantage would still be more valuable. Our finances will be, in that case, brought under the real effective control of the Imperial Parliament, and our financial administration will be a responsible one in reality, instead of being as at present only nominally so. Further, Parliament would come, through the natural operation of such financial relations, to feel a more direct, immediate and living interest in questions affecting the welfare of this Dependency over which it at present allows itself to "sleep and slumber."

A NOTE ON THE NATIONAL DEBT OF BRITISH INDIA.*

A PROPOSAL FOR REDUCING EXPENDITURE.

The annual charge on the revenues of India on account of interest on the National Debt, which at present amounts to over 11 milliions and a quarter, is a most serious item of our imperial liabilities, and discovering as it does a steady and alarming tendency to expansion, as now administered and managed, threatens to become, at no remote date, a source of grave embarrassment to Indian Finance. It behoves Government, therefore, to make a bold, earnest and resolute effort to lighten its pressure on the resources of this poor and otherwise over-taxed country, partly by making an effectual provision for the gradual liquidation of the debt itself, and partly by effecting from time to time such reduction in the rates of interest payable thereon by wellknown methods of conversion, as the state of the money-market and the level of the national credit might render possible.

The National Debt of India, which in 1884-85 stood at the high figure of 262½ millions, is made up of two parts, each standing on its own footing, namely, (1) the direct debt of Government, including both the "General" as well as that raised for Productive Public Works, and (2) guaranteed stocks of the Railway Companies :—

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* This paper was published in the Journal of the Poona Sarvajanik Sabha, July 1886.

	Description of debt.	Amount.	Charges for interest.	Remarks.
		£	£	
Government direct.	"General"	94,788,971	3,997,469	Vide Cotton's Report p. 104.
	P. P. Works.			
	Irrigation	20,766,867	809,091	[Stanton's Report.]
	State Railways.	39,967,059	1,527,300	
	E. I. Railway...	39,154,142	1,718,100	Including annuity-payment.
	Guaranteed.....	67,697,168	3,277,132	At various rates ranging from 5 to 3½. [Vide Col. Stanton's Report 83-4 p. 30.]
	Total...	262,374,207	11,329,092	

Parenthetically, it may be remarked that the credit of the country is hypothecated for the whole of this debt to the fullest extent in shape of direct obligation or guarantee, and that the ultimate responsibility of Government is *precisely* the same in respect of the one kind of debt as of the other.

Mr. Cohen M. P. in his remarkable memorandum on Indian railway finance, contributed to the London *Times*, Sept. 1884, deals with the whole railway debt, including both guaranteed and E. Indian, amounting to £ 106,851,310 and entailing an annual interest charge of nearly 5 million sterling, and writing with the authority of a commercial expert and sound economist, recommends a practical scheme of conversion, which, while fully and effectually protecting and conserving vested interests, promises to reduce our pecuniary liabilities on account of this debt by at least a million per annum, by revising its basis and re-casting its machinery. The commercial opinion of London is strongly in favor of this proposal to convert and consolidate the existing guaranteed stocks into a general railway debt *on Government account*, and hostile critics have not yet urged against it anything beyond vague and baseless apprehensions of its '*possible*' tendency to retard railway extension in India. Besides obvious financial advantages, Mr. Cohen's plan offers others of no less importance. (*a*) It would, among other results, break a costly and troublesome, huge monopoly which

can be worked to the serious loss and inconvenience of the country in times of emergency, as shown by the conduct of the G. I. P. Railway directorate during the famine of 1876-78, and, by virtually converting these railways into State property, give the Government of the country such control as it ought to have over their financing and general management. (*b*) It would transfer from the hands of a private irresponsible agency to the responsible Government, the initiation and prosecution of future railway extensions ; and further, (*c*) it would substitute for the policy of guarantees, hitherto pursued with greater regard to the demands of an impatient and clamorous body of foreign capitalists and merchants than to the condition of the national finances or the legitimate requirements of the country, a policy of direct obligation and responsibility in respect of of railway borrowings as well as of railway construction, which would lead to more cautious procedure in future, and by preventing a reckless and extravagant addition, in comfortable sleepiness, to existing liabilities on this account, conduce to the stability of Indian Finance no less than to the improvement of the national credit. Even were little or no weight to be attached to these and similar other considerations which might be urged in its favor, a scheme which holds out the prospect of a clear saving to the amount of upwards of a million by a simple administrative change in the management and financing of these railways, and the feasibility of which cannot be for a moment challenged, deserves and demands the serious and careful attention of the Finance Committee. The scheme might, perhaps, have to be modified here and there in its details and particulars, to meet the "prejudices" or the just wishes of the investing public ; but the principle, on which it rests, is as unimpeachable as it is clear and intelligibe. Mr. Cohen does not ask the Government of India to assume more extended responsibilities in respect of these railways than it has already incurred under the guarantee-contracts. What he proposes as a practical financier is, that it should not shrink, through timid or sentimental fears, from standing forth boldly on the Stock-Exchange *de jure* in the position which it at present holds *de facto*, and turning that position of responsible guarantor more fully to account than is possible under the existing arrangements. The credit of Government naturally stands a good deal higher than that of even the Railway Companies enjoying the advantage of its guarantee, and British investors accordingly feel greater confidence in its securities than in those which the private Companies can offer. Now if such be the feeling of the Stock-

Exchange, as we are assured it is, and as is shown undoubtedly to be the case by the difficulty with which the Midland and S. Maratha Railway Companies could recently float their loans, why on earth should we not avail ourselves of the feeling of the change in our favour? The preference given to our Government securities over those of the guaranteed Companies will be the measure of our financial gain under the proposed scheme. The *modus operandi* of the conversion as suggested may be roughly sketched out as follows:—

The circumstance that the different guaranteed lines offer securities of different values and earn different rates of profit, must be, of course, duly taken note of in any conversion scheme; nor can it be forgotten that the stipulations regarding the division of surplus profits contained in the guarantee contracts between Government and the companies introduce an additional element of variation into the transaction. But it cannot be supposed that these varying factors, which determine the value of these guaranteed stocks, offer any greater obstacle to their proposed conversion into one consolidated stock than they do to their free transfer in the open market by sale and purchase. On referring to the London *Times*' "stock shares" report for April 9, 1886, we find the prices of the guaranteed Indian railway stocks quoted thus:—

Company.	Total Capital on Dec. 31, '83.	Price of 100 stock quoted.
	£	£
B. B. C. India	8,160,749	154¼
G. I. P.	24,797,889	147¼
Madras..	10,678,531	121
Oudh and Rohilkhand....	7,519,619	128
S. P. Delhi....	11,423,263	122½
S. India....	4,422,155	127½
Total.....	67,002,206	

N. B.—The E. Indian stands on a separate footing and is left out in this calculation; and so is the E. Bengal.

These quotations obviously give not only the relative but the absolute value of the guaranteed stocks in the London market, inclusive of the interests created by the surplus-profit provisions. The holder of a guaranteed stock, when he sells it at the market price, parts not only with his stock but his interest as well in the surplus profits of the guarnteed lines as stipulated for in the guarantee-contracts. Now, in our conversion scheme, we might either leave the

autonomy of each company and with it the surplus-profit stipulations entirely untouched, or do away with both. If the latter alternative be chosen, we should have to offer to the present share-holders the full market value of their guaranteed stocks as ruling at the time on the 'change, *minus* what is due to the greater security of Government investment as compared with private, (say) about 10 per cent; while if the former course were selected, we would be justified in making a further deduction from their market values, (say) from 5 to 10 per cent. on account of the surplus-profit provisions of the guarantee contracts. The first course is preferable, as calculated to secure a better prospect of success as well as better terms for the proposed conversion.

Now putting together these two conditions, and making a total deduction of from 15 to 20 per cent. from the market values of the guaranteed stocks on this account, as also taking the value of money to be 3 per cent. as now ruling in the London market, we should have to offer the following prices for the stocks with a view to their conversion into a single consolidated stock. On the basis of these prices, thus roughly calculated we can safely invite the present holders of railway guaranteed stocks, bearing interest at from 5 to $4\frac{3}{4}$ per cent, to convert them into consolidated Government railway stock at 3 per cent. In lieu of a 100 guaranteed stock at 5 per cent, we offer a Government stock of 128, 120, 108, 110, 108, 110 at 3 per cent. respectively to the holders of the different stocks, and this offer the investors may be reasonably expected to accept. The result of the proposed conversion might thus be shown in a tabular statement :—

Company.	Price of 100 stock; ruling.	Price per 100 stock; offered.
B. B. C. India.....	154¼ at 5 p.c.	128 at 3 p.c.
G. I. P.....	147 at 5 „	120 „
Madras.....	121 at 4¾ „	108 „
Oudh and R.....	128 at 5 „	110 „
S. P. Delhi.....	122 at 5 „	108 „
S. India.....	127 at 5 „	110 „

Company.	As at present.			Under the conversion scheme.			Net gain.
	Stock capital on Dec. 31, 1883.	Rate of interest.	Price quoted exchange.	Stock converted at.	Prices offered for conversion.	Rate of interest.	In interest charge.
	£			£			
B. B. C. India.	8,160,749	5	154	10,500,000	128	3	
G. I. P	24,797,889	5	147	29,800,000	120	3	
Madras	10,678,531	4¾	121	11,500,000	108	3	
Oudh and R..	7,519,619	5	128	8,300,000	110	3	
S. P. Delhi ...	11,423,263	5	122	12,400,000	108	3	
S. Indian.....	4,422,155	5	127	4,800,000	110	3	
Total...	67,002,206			77,300,000			£ 3,136,000 [=guaranteed interest.] ,, 2,320,000 for the proposed consolidated stock at 3 per cent.

[Difference £ 816,000 = gain to Government, but capital stock increased by £ 10,300,000.

Charge for guaranteed interest = £ 3,120,000.]

From the above table it will be seen that the result of the proposed conversion would be :—

(1) Net interest charge on consolidated Government stock. } £ 2,320,000 against £ 3,136,000 on guaranteed stock.

Net saving = £ 8 16,000.

(2) Capital stock, consolidated, £ 77,300,000 against £ 67,002,212 guaranteed stock.

Net increase = £10,300,000, in the amount of capital.

The second part of the operation, namely, the addition of over 10 millions to the amount of guaranteed stock, need have no terrors for the Finance Minister who will not probably be ever called upon to pay it off, so that it can matter little or

nothing to him at what figure it stands. If money becomes cheaper so as to make it worth his while to carry out a similar second conversion in future with a view to lightening the burden on the Indian tax-payer, his hands will be free in the matter. What is, however, of immediate concern to him is the net saving in the annual interest.

Moreover the gain in the interest charge is not the only advantage which it offers. As part of the conversion arrangement, the surplus profit stipulations in the existing contracts will have to be modified to the extent of defining "surplus profits" to be net profits realised over and above the new interest charge on the consolidated Government stock, and as the sum of surplus profits so defined would be larger than at present, the companies and Government will both share the benefit. The gain to Government in this respect may be thus calculated :—

(*a*) Net revenue of guaranteed companies * (vide Stanton's Report page 49) =	£	3,296,883
Guaranteed interest under present arrangements	£	3,135,719
Surplus-profits available for division between companies and Government.....	£	161,164
Government share at ½..... =	£	80,582
(*b*) After conversion.		
Net Revenue..... =	£	3,296,883
Interest charge ..... =	£	2,320,000
Surplus-profits.....	£	976,883
Govt's share at ½.....	£	488,442
Deduct present share	£	80,582
Net increase of Govt. share	£	407,860

Combining the saving in the annual interest charge with this gain in the share of surplus profits, we arrive at the following result :—

(*a*) Saving in interest.....	£	816,000
(*b*) Increase in share of Surplus Profit	£	407,860
Total.....	£	1,223,860

* *N. B.*—E. Bengal Railway Company left out of account.

The net total gain is thus nearly a million and a quarter, against which there is only one harmless set-off, namely, the increase of amount in the Capital Stock by about 10 millions, which should, however, cause us no anxiety till the time for redeeming it comes *of our own choice*,—a very remote contingency which may be safely left out of practical calculations of immediate interest as long as the door is left open to successive conversions with a view to diminishing its pressure on the revenues of the State, in such manner as the state of the money market and of the Government credit may suggest.

Altogether, view it as we may, Mr. L. Cohen's scheme appears to be so happily conceived that as modified above, it may be confidently commended to the careful consideration of the Finance Committee.

Passing on from this subject of the guaranteed Railway debt, we come to examine what may be described as the direct obligations of the Government of India. Mr. Cotton [in his Decennial Report, page 104] puts them down at £159,274,460, as they stood at the end of 1882-3, classified as under :—

In India..... £ 90,688,766 }
In England ... £ 68,585,694 } [*N. B.* the "Indian" debt is in rupee, converted into sterling at the old conventional rate of exchange (Re=2s.), while the English debt is in gold.]

Adding 5 millions to each side, as roughly the amount of recent loans, we get,

India rupee debt	£ 95,688,766
English sterling debt	£ 73,585,694
Total	£ 169,274,460

Of the rupee debt, 23½ crores bears interest at 4½, and the rest (72 crores) at 4 per cent, while of the English sterling debt £ 62,460,044 bears interest at 4, and the rest at 3½. The whole of that portion of the English debt which bears interest at 4 per cent, falls in by the end of August 1888, while the greater bulk of the rupee debt is redeemable at par on three months notice from Government, so that Government is left free to deal with either kind of debt in any manner it may deem best for the public interest.

The pressure of the annual debt charge on the Indian exchequer can be reduced in two ways. We might either pay off portions of our debt or secure reduction from time to time in the

rates of interest payable on it as money becomes cheaper. Thus redemption and conversion are the two modes of dealing with these liabilities, and there is room for trying both in the case of our debt. Conversions, both profitable and safe, are possible in the immediate future, while some provision should be made with our present means for the gradual liquidation of the debt, on the basis of an *automatic* system of terminable annuities, such as has been adopted in respect of the English debt by the British Parliament under Sir S. Northcote's scheme of 1875, developed and enlarged under Mr. Childers' in 1883.

We shall begin with conversion schemes. A most difficult and perplexing question meets us at the very threshold, *viz.*, 'Which kind of debt is preferable, *rupee* or *sterling*?' High authorities are divided on this question as to the expediency of borrowing in India or England. After careful consideration, we see reason to dissent from the conclusions of Sir E. Baring and other eminent financiers, and give our preference to sterling debt over rupee. It would not be out of place to state here briefly our grounds for this preference.

The whole policy of rupee-loans under the present conditions of borrowing in India is, we hold, fundamentally wrong, as being opposed not only to the received principles of Political Economy but also to considerations of safe and sound finance. Let us go briefly into the history of our rupee loans, in order to understand their nature and effect.

Mr. Cotton gives the following details in his Report, p. 104 :—

In India.	£
Imperial loans bearing interest	
4½ per cent. Transfer Loan 1870	1,831,340
4½ ,, ,, Indore State Railway	1,000,000
4½ ,, ,, Transfer Loan 1878	1,858,150
Transfer Loan 1879, 4½ p. c. portion	18,731,267
,, ,, 7s sterling p. c. portion	24,000
4 per cent. Loan 1832-33	925,024
,, ,, ,, 1835-36	2,495,630
,, ,, ,, 1842-43	23,453,030
,, ,, ,, 1854-55	5,320,840
,, Transfer Loan 1865	21,441,903
4 ,, 1854	1,226,778

Reduced 4 p.c. Loan 1879	10,287,500
4 p. c. Promissory Notes Mysore Family	98,041
,, Railway Loan from the Scindia	1,500,000
,, E. I. Railway commuted stock	10,675
3½ ,, Loan 1853-4	57,470
Total	£90,261,648
Imperial loans not bearing interest	87,051
Total in India	£90,348,699
Add to these recent loans to the amount of upwards of 5 crores at 4 p. c.	5,000,000
	£95,348,699*

What first strikes us in connection with these statistics is the smallness of the figure under the *heading* "Imperial loans not bearing interest." The amount (£ 87,051)—which is presumbly the *net premium* realised on all these loan-transactions together showing an imposing total of 95 crores,—indicates—and other evidence also points to the same fact—how onerous have been the terms on which they were conducted. Some of the loans raised before 1872, the year in which the depreciation of silver commenced, as also some of those issued during Lord Northbrook's administration, might have been floated at or even above par; but many of the recent ones, particularly those issued during Lord Lytton's Viceroyalty, were taken up much below par. The conversion of the 10 crores 5½ p. c. loan into a 4½ p. c. loan in 1878 was a failure, and the notification of the 5 crores 4½ p. c. loan is 1879, although the minimum rate was fixed at 94, resulted in only 4 crores being taken up. The losing nature of those transactions relative to the floating of rupee loans in 1878-9 and 1879-80 may be more clearly seen, when it is remembered that the rate of interest in England in those years was exceptionally low, never advancing beyond 3 and standing during several months at 2 per cent—a state of things which would have enabled the Government of India to issue sterling loans in England at or above par and on such advantageous terms.

The conditions of borrowing in India, as far as Government loan operations are concerned, have undergone a remarkable

* Rupee debt converted into sterling at the conventional rate of one Rupee equal to two shillings.

change during the last 30 years. To show this clearly the figures quoted on a previous page may be re-arranged as under :—

	£	
(a) Before the mutiny		
4 p. c. loan 1832-33...	925,024	
4 ,, ,, 1835-36...	2,495,630	
4 ,, ,, 1842-43...23,453,030		
4 ,, ,, 1854-55...	5,320,840	
3½ ,, ,, 1853-54...	57,470*	
4 ,, Tr. 1854	1,226,778	
		33,478,772
(b) After the mutiny.	£	
4 p. c. Transfer loan 1865...21,441,903		23,273,243
4½ ,, ,, ,, 1870... 1,831,340		
4½ ,, ,, ,, 1878		1,858,150
Transfer Loan-1879, 4½ p. c. a portion		18,731,267
Total.....		77,341,432
Brought forward,		£ 77,341,432
Transfer Loan 1879, 7 s. a portion		24,000
Reduced 4 p. c. loan 1879		10,287,500
		£ 87,652,932
4½ p. c. Indore State Railway		1,000,000
4 p. c. Promissory Notes, Mysore Family		98,041
4 p. c. Scindia loan		1,500,000
		£ 2,598,041*

* The loan, Mr. Robertson tells us, was a failure, a few lakhs only being subscribed [vide his evidence before P. Committee.]

To show to the reader at a glance the result of the above the foregoing figures may be arranged thus :—

Before the mutiny—at 4 p. c.		£33,478,772
After ,, ,, at 4 p. c.		
in 1865 21,441,903		
in 1879 10,287,500		
	31,729,403	
,, ,, ,, at 4 p. c.		
1870 1,831,340		
1878 1,858,150		
1879 18,731,267		
24,000		
	22,444,757	
Total—£		87,652,932

* We leave this sum out of our calculations altogether, as it does not relate to strict market transactions.

These figures bring out two facts, taken in conjunction with other evidence :—

(1) a continued rise in the rates of interest at which loans could be issued ;

(2) an equally continued fall, as we know in the case of loans raised by Lord Lytton's Government, in the amount of cash realised.

These two facts indicate a continued movement of fall in the value of the Government Rupee Securities. " The fall in Government paper," wrote the Bombay Chamber of Commerce in their memorial to Lord Ripon's Government in Feb, 1884, on Railway Extension in India, " within the last 3 years [i. e. 1881-84] is quite 10 per cent." This has been the result of the concurrent operation of many causes, among which may be prominently mentioned, (1) the depreciation of silver since 1872, though counteracted in some measure by the falling value of money in England, (2) the great and increasing absorption of capital into industrial enterprise and extended trade during recent years, and (3) the forced floating of rupee loans by Government on terms, however wasteful or onerous. " It is improbable " added the Chamber, " that rupee 4½ p. c. loans issued in India could be floated at a higher rate than Rs. 90 per cent," or in other words, as Mr. Westland puts it in his minute on Rupee loans (Feb. 1884), " India has but a small absorbing capacity for such loans " or there is very little absorbing power in India itself left now.

(1) Our loss in the principal on account of discount incurred by issuing rupee loans under these circumstances is however, though large in itself, only a trifling portion of our total loss involved in that procedure.

(2) Far more formidable is our annual loss in interest-payment. The rates of interest payable on our present loans are 4½ and 4 respectively on £ 23,444,759 and £ 71,816,861, while money can be freely obtained in England at rates varying from 3½ to 3. The differential loss to the Indian exchequer is only a trifle less than full one per cent and may be calculated as under :—

Debt in crores. Rs.	Charge for interest Rs.	
23,44,47,590 at 4½	1,05,50,130	Now the rupee debt of Rs. 95,26,16,200 into sterling 3 per cent at 90, at the current rates of exchange 1s 9d per
71,81,68,610 at 4	2,87,26,740	
95,26,16,200	3,92,76,870	

rupee, is equal to £ 71,000,000 sterling and the interest charge per annum, £ 2,366,000. Let us compare the two amounts for interest charge. The sterling debt would cost us per annum 2,336,000, or Re. 3,12,13,000 (at Rs.=1s 6d), while our rupee debt entails a charge of Rs. 3,92,76,870. The net difference is Rs. 80,63,870. Now upwards of 80 lakhs of rupees is rather a pretty sum for a poor country to lose year after year. But, we are told, we should bear with quiet, unmurmuring equanimity so much present loss with a view to future financial safety and stability in the presence of the disquieting uncertainties of the silver market. The fall of silver, represented by the loss of these 80 lakhs a year, is from the present rate of 1s 6d to 1s 2—5d, and we thus provide for a very great drop of the rupee indeed! He must, of course, be a bold prophet who would venture to forecaste the future of silver, but we cannot go, practically speaking, very wrong in calculating that it will be long, very long indeed, before our rupee sinks to that level of value, and during this interval of anxious suspense, we are asked to go on paying this heavy price for our sentimental fears of the "Silver risk" a-head! We hold that there is no sufficient justification for incurring so much loss and so needlessly in the circumstances of the present situation. We have not much faith is Bimetallism, which we look upon as a fond day-dream of *doctrinaire* enthusiasts, but we have firm and abiding faith in the operation of economic causes—which would, before long, not only arrest the fall of the rupee by diminishing the production of the American silver mines, but, adjusting demand and supply, cause perhaps an upward movement in its favour. At any rate, the day cannot be near when the rupee shall sink below 1s 2—5d and convert our present loss into a gain, and till it comes, if it comes at all, many things will have happened to diminish our anxieties and difficulties on the subject.

(3) But the present policy of rupee loans is yet open to another and no less formidable objection. The Bombay Chamber in their memorial of February 1884, above referred to, write:—"Each fresh issue of rupee loans in India has the effect of causing a serious advance in the value of money in the local markets, thereby bringing loss and inconvenience to all who are engaged in commercial pursuits." Mr. Westland, the Comptroller General, in his Minute on rupee loans, practically endorses this complaint of the Chamber and holds,—though his opinion has been much controverted,—that the issues of Government loans have been "each year *crucial* operations," "the one operation up to which the money market each year works and from which

it again falls." Now, it is clear that to the extent to which the loan-operations of Government tend to augment the rate of interest in the money market, they are liable to the condemnation pronounced upon such transactions by John Stuart Mill in his Political Economy, Chap. VII Bk. V. "National Debts." In a country where there are admittedly no over-flowings of the national capital and where new fields of profitable industry are daily opening out for which all the annual accumulations of the country are scarcely sufficient, Government can hardly borrow without seriously trenching on the funds required for private enterprise and placing itself in the position which it ought never to take up except under hard necessity, *viz.*, that of "a competitor for capital with the ordinary channels of production investment." The difficulty, nay, the impossibility of floating large loans in India except on ruinous terms, which seems to be admitted on all hands, is in this view a significant circumstance, adding very much to the strength of this objection. When loans reach a point at which they either fail or can only be issued at discount and at exorbitant rates of interest, this is positive proof that they seek to intercept the nation's savings from finding employment in other and legitimate fields of private investment.

(4) But even these objections might be overlooked if our rupee loans were really all absorbed in the country itself and secured either the justly valued political advantage of giving a direct pecuniary interest in the stability and credit of Government to the higher, monied and propertied classes in the country, or the equally important financial advantage of keeping within the country itself the money payable as interest to the investors. All doubts, however, on the point are set at rest, and a flood of light is obtained when we carefully read Mr. Westland's evidence before the Select Committee of the House of Commons on E. I Railways. We clearly see that the present policy of rupee loans has the effect, whatever its original object, of benefiting neither the Indian treasury nor the Indian tax-payer, but wholly the foreign investor and the local speculator, and has otherwise no justification or excuse either in the political or the financial considerations which ought, in normal circumstances, to guide and govern such action on the part of the State. When questioned by the Chairman (Mr. Baxter M. P.) on the subject of borrowing and the comparative advantages of borrowing in England and India, Mr. Westland, the Comptroller-General to the Government of India, said :—

"I am of opinion that the operations of the Government of India have exhausted for a time the lending reserve of the Indian market."

"Who is it who takes up the loans at present?—First, the European banks; second, the native financial firms who have capital; third, the native brokers and dealers in Government paper, who have no capital, but who take up the loans on the chance of making a profit by passing them on; and fourth, the European brokers. One of the most successful men, who tendered for these loans, was a short time ago a door-keeper at one of the bonded ware-houses with a salary of Rs. 12 a month. He was a very lager holder of Government paper, although he was entirely without means."

"Who are the permanent investors?—*A very small* part is taken up permanently in India; by far the most comes to this country (England). At least half of every loan finds its way ultimately to England. Latterly this has not been the case so much, and the result has been that the last loan was not favourable. Those who tendered did so with a view to pass it on to the permanent investors, and it was found, when the loan was sent over here, that there were hardly any permanent investors, and it was thrown back upon them who had tendered for it."

"So that it was absorbed in India?—No, it had not been absorbed when I came away from India. It was then chiefly in the hands of the banks who had made advances upon it, and persons were paying interest to the banks for advances made to take up the loans."

"What is the reason of the falling off in the rupee loans in the Indian Market?—Partly this that rupee paper has not been very steady in price for the past two or three years. Two years ago a 4 p. c. loan was taken up at 105, because it was believed that there would be a large demand for it in England. As a matter of fact, there was no such demand for it in England, and when the paper came back upon the Indian market, it fell at once from 105 to 99. Holders began to be frightened, and the banks who were large holders, began to want to get out of it. With things in this condition came the rupee loan of last year. That too was taken up by persons who thought they could pass it on. But it was found that holders of rupee paper were anxious to get rid of it rather than to increase their holdings, and the loan power of India was really for the time exhausted. The last loan was soon down to 95, having been issued at 98·5."

"Can you tell us if any attempts have been made to induce the masses of the people of India to invest small amounts in Government loans?—So long ago as 1870 it was pointed out that the amount of the loans held by natives was decreasing, and at the time it was accounted for by the greater competition for the loans on the part of Europeans. Another reason was said to be the decadence of the Native Courts, the courtiers of which were about our best customers for the loans. Two years ago, a plan was tried of issuing stock-notes of from Rs. 12¼ to 100 as an experiment to test whether or not there was a demand for such investment. That experiment was not successful." After referring to other attempts, Mr. Westland added:—"The result of all this was to lead to the conclusion that it was not possible to expect that the hoardings of the people would come into the hands of the Government. Besides that very little has been taken up in this way, these schemes have been found very cumbersome to manage in every way."

"Can you tell the Committee what is the total amount of the Indian debt held in England?—The last return for 1883 shows that the total amount of the Indian debt is close upon 93 crores, and of this only 21 are held in India, the rest being held in Europe, 22 crores in London alone."

"What rate of interest do Europeans require on rupee investments, as compared with sterling investments?—In England we can get money at less than 3½ p. c. A 3 per cent loan was taken up at £ 94-4-2. On the other hand, the last rupee loan was issued at *4 p. c.* and was *under par.*"

By Mr. J. K. Cross.—"Are there no economical conditions in favour of borrowing in India?—I do not know that there are; for now, whether we borrow in England or India, the capital eventually comes from England, and we have to remit interest upon it to this country."

Now, 'Four per cent loans under par' or 'four and a half p. c. loans slightly above par,'—these terms are not, as experience shows, high enough to induce the native capitalists to lend their money to Government; but as compared with the prospects of sterling investment, are sufficiently tempting to attract capital from England, where the value of money ranges at about 3 p. c., oftener falling below than advancing beyond that point. "A 3 per cent loan (in gold) at £ 94-4-2" and a rupee loan "at 4 p. c." under par give us, as the differential advantage *to the investor* in the case of rupee-investment, but a

trifle less than one per cent. The conditions of borrowing have slightly changed since Mr. Westland gave his evidence, to augment the difference : it is now full one per cent. As the result of this state of things in connection with the money market in England and in India, the evidence of Mr. Westland, above quoted in full, brings out the following points prominently :—

(*a*) As far as these rupee loans are concerned, the native capital stands altogether outside the sphere of Government borrowing operations. Native brokers do no doubt sometimes take up such loans, but they do so *by way of speculation* out of which to make profit, and eventually pass it on to foreign investors. All attempts hitherto made have failed to reach the hoardings of the masses of the people.

(*b*) The capital of Government rupee loans comes ultimately from England all the same whether it is subscribed in the first instance by English investors over the sea or temporarily resident in this country. The balance of advantage in favour of rupee investment, on the terms we at present offer, measures and determines this eagerness to lend us their money : it is now represented by full one per cent. It varies directly as the falling value of money in England, and inversely as the falling rupee, but these two opposite forces seem almost to equilibrate each other. There may be slight variations in accordance with the intensity of either force, one way or the other, but as long as a fair difference between the prospects of sterling and rupee investment is maintained, the continuance of the present state of things may be safely depended upon. Of the 93 crores [or now 95] of our rupee loans, 72 or 75 are now held in England, and the rest in India. But with respect to this latter amount (21 crores) it should be borne in mind that it is, for the most part, in the hands of European residents in the country, who cannot fix their home here. The interest for the greater part has to be remitted to England by Government under special arrangements sanctioned as a concession to English investors in 1852 on the recommendation of merchants and bankers of Calcutta, under which interest on rupee paper was made payable at the Bank of England through banks at Calcutta.

(*c*) The marginal advantage above referred to in favour of rupee investment is not only sufficiently high to act as an inducement to foreign capitalists to put their money into Indian rupee securities, but to offer a pretty fine scope for profitable

business to adventurous speculators in the country. Intermediate transactions, presumably of an advantageous nature, can take place, sometimes two, sometimes three or more, before our unhappy rupee paper passes from their hands into those of permanent investors abroad. The instance, cited by the Comptroller-General to the Government of India in his evidence before the Parliamenary Committee, of a door-keeper buying up large quantities of rupee paper for purposes of speculative venture is very suggestive, though amusing.

(*d*) The demand for our rupee loans in India is regulated by, and is in precise proportion to, the demand for them in England, and the terms on which we can hope to borrow out here are measured by the expectations of English capitalists who base their calculations on the chances of sterling investment with careful regard to fluctuations of the silver market. So, even when we seemingly borrow in India, we have to depend on the good will of the English investors for the success of our loan operations, quite as entirely as if we borrowed in England; our loans succeed or fail in India as there is or there is not an effective demand for them in England.

Thus we see that our rupee loans floated in India, far from securing any political or financial advantage, are practically sterling loans, *minus* their advantages. By borrowing in India, we only pay a large premium on local speculation and lose the advantages of direct contact with the English Stock Exchange.

(5) Is this policy of rupee loans safe in the end? Is it compatible, in the existing circumstances, in the long run with the continued maintainance of our national credit even at its present level? We think, not. If the value of money rises in England, as it did three years ago after a drop in 1879 and 1880, unaccompanied by improvement in sterling exchange, or a further depreciation of silver takes place without a corresponding fall in the value of money in England, and in consequence the margin of differential advantage, at present existing in favour of rupee securities, is dangerously narrowed, we must be prepared for a re-action in the feeling of the English Stock Exchange against our rupee paper. In fact, some time ago, signs of such a re-action were visible in consequence of a sudden fall of the rupee. They are now happily past, but we connot be sure that they may not at any time and with "but little notice" return. And the natural query is, what will then be the fate of our rupee paper? Why, it will all come back on our own market.

Referring to such a contingency, Mr. Lewis G. Hynes, of H. M.'s Mint, Bombay, in his "*Gold for India*" page 53, says :—

"The whole of the stock, representing India's rupee debt held in England, will find its way back to this country. India will be *compelled* to receive her promissory notes in payment of her trade-debt, instead of receiving it in silver or gold. The price of the Stock in India will be greatly depreciated, the prices of her products will be raised, the metallic currency reduced, and the credit of the Government will be injured to such an extent that it will be found practically impossible to raise future loans in India. She will be driven to seek for money in the gold-market of the world and her last state will be worse than the first." The danger of the falling rupee seems here the other way. When our rupee-paper, which we keep up for fear of increasing our gold liabilities abroad, comes back and deteriorates in value, the credit of Government will be seriously damaged and our position, encumbered with a large amount of rupee debt, will be worse than it could be without that disquieting encumbrance.

(6) The risks and difficulties surrounding the issue of rupee loans are increasing, while their advantages are steadily diminishing ; and we do not see any new prospect of a change for the better in this state of things. As new lines of profitable business are opening out, the conditions of borrowing are stiffening in the country. And in the absence of an over-flow of surplus capital, Government cannot expect, for a long time to come, to get an opportunity of carrying out any scheme of conversion with a view to securing a reduction in the interest-charge annually payable.

These are some of our chief grounds for holding that the whole policy of rupee debt in the present condition of things is *ab initio* wrong. We prefer to see all our debt in sterling even in the face of adverse sterling exchange. Our argument may be summed up thus :—

(1) Rupee loans involve a considerable loss in discount.

(2) There is a still larger loss in annual interest-payment, to the extent of over 80 lakhs, which loss is out of all proportion to any reasonable fears that might be entertained of the Silver-depreciation—fears in which alone it can have any justification.

(3) Our loan operations seriously interfere with the free movements of private enterprise, trenching, as they do, upon the already insufficient fund available for purposes of industrial investment and expanding trade. The loan-absorbing power of India is becoming almost *nil*, as is evidenced by the increasing difficulty of floating rupee loans even on extravagant terms.

(4) The policy benefits the foreign investor and the local speculators at the expense of the Indian tax-payer.

(5) It is further unsafe as being likely, in certain not improbable contingencies, to place in serious jeopardy the credit of the country.

Having thus cleared the preliminary ground, we proceed to propose our own scheme of conversion with respect to the whole "direct" debt of India, both sterling and rupee.

We prefer the system of stocks to that of loans as supplying a more reliable index to our position in the money market, and also as being a more convenient and familiar form of convertible security. Stocks need involve no necessary limitations of the nation's liberty of action as regards redemption or conversion. They might be made redeemable at par on a year's notice, as is provided by the Consolidating Act of 1870 in England, and they need not be guaranteed, even for any limited length of time, unless the terms on which they are negotiated be exceptionally favourable, as in the case of the "Two-and-a-half per cents" created under Mr. Childers' Scheme adopted by Parliament in 1884, which are secured for 20 years.

Now in our scheme we contemplate the conversion of our "direct" debts, rupee and sterling, into a consolidated sterling debt in the three per cent consols at 94, this being the price of sterling stock quoted by Mr. Westland.

The English debt in gold, which amounts to about 68¼ millions, leaving out recent additions, offers no difficulty. The whole of it falls in October, 1888, and if money is cheaper now than when it was borrowed, we are perfectly free to convert it into a stock of a lower denomination. We prefer to maintain it in its present sterling shape, and do not think that its conversion into rupee debt, immediate or gradual, as advocated by Major (now Sir Evelyn) Baring in his Budget Statement of March 25, 1881, para 61, can ever be, in our present circumstances, a safe or even an ultimately economical policy.

Mr. Cotton's figures for this kind of debt are as under :—

India 4 per cent Debentures	£ 8,996,500	£68,527,044
,, ,, ,, stock	53,463,911	
,, $3\frac{1}{2}$,,	4,566,633	
E. I. Railway Debenture stock	1,500,000	

But if we leave out the amount of E. I. Railway stock to which, perhaps, as being under special arrangments the scheme of conversion cannot apply, we have as the net English debt available for this operation, £67,027,044. Of this amount we find,

£ 62,460,411	Bearing interest at 4 and $3\frac{1}{2}$ p. c. respectively	£ 2,498,416·44	Net interest charge payable in gold
£ 4,566,633		£ 159,832 16	
£ 67,027,044	Total	£ 2,658,248·6	Total

Converting the stock into consols at 94, we get the following result :—

Capital amount of stock	£ 66,447,000	in place of £ 62,460,411
	£ 4,857,000	,, ,, £ 4,566,633
	£ 71,304,000	

giving an increase, at the market price of present stock, of £ 4,279,044 ; net Interest charge at 3 per cent £ 2,139,120 against £ 2,658,248·6, showing a decrease of £ 519,128·6

So by means of the proposed conversion of the English debt which is to fall in October 1888, we can reduce our gold liabilites for interest-payment by upwards of half a million [£ 519,128] against which there is the set-off of a net increase of our $4\frac{1}{4}$ millions in capital amount of stock. But Government further reserves to itself full powers of redemption and conversion.

Coming to the rupee [or India] portion of our National Debt, we find the total amount to be Rs. 95,68,87,660, inclusive of recent loans. The whole of this debt is, as remarked before, redeemable on three months' notice from Government ; and what we proposed is, that Government, in the exercise of this right, which is strictly legal and indisputable, should convert it into sterling at the current market price of 3 p. c. consols at 94. The measure is one of vast importance and magnitude, but we venture to commend it to the serious consi-

deration of the Finance Committee, as being at once economical, sound, and safe though of course involving a wide departure from the traditions of our present financial organisation. We have already succinctly stated our grounds for objecting to the policy of rupee loans in India under the present conditions of the Indian money-market, and for thinking that a continued adherence to it is without justification or excuse either on finacial or political grounds. Holding these opinions, and considering that Government has a perfect freedom of choice and action in the matter, we advocate this conversion of our present rupee debt into sterling.

The Indian debt (rupee) stands as under :—

Rs.		Interest-charge in Rs.
23,44,47,570	bearing interest at 4½ ...	1,05,50,141·6
71,75,94,210	... ... 4 ...	2,87,03,768·4
5,74,700	... ... 3½ ...	20,144.
95,26,16,480	Total	Rs. 3,92,74,054

[converted into sterling at the current rate of exchange]

Debt in sterling	Interest in sterling
£ 71,446,236	£ 2,945,554

Now according to the conversion scheme we propose, the debt and interest would stand as follows :—

The capital amount of stock, taken at 94 per 100 stock, would be £ 76,006.600 in place of £ 71,446,236, giving a clear increase of £ 4,560,364 or upwards of 4½ millions. The net interest-charge at 3 per cent on this amount of stock would be, £ 2,280,198 as against £ 2,945,554 which is the present amount, showing a net decrease of £ 665,356 per annum.

Thus if converted in the manner suggested, the present interest-charge on the rupee debt would be reduced by £ 665,356, against which, of course, there is the set-off of an increase of 4½ millions and upwards in the amount of stock.

It is always a sound rule of Free Trade Political Economy that we should borrow, as we should buy, in the cheapest market ; and a departure from it can only be justifiable under exceptional circumstances. In a country where accumlations of capital are going on to overflowing, where owing to increased

security, keen competition, declining profits or whatever cause, the value of money is steadily falling, and where, besides, Government securities are eagerly sought for by permanent local investors, and political considerations have to be allowed to over-ride such as are purely economical, there a strong case for such departure may be made out. India is differently circumstanced in all these respects, and here the prospect of saving even a few thousand pounds in our annual charges by whichever method, provided it be otherwise unobjectionable, should not, in our opinion, be lightly thrown away. The large saving which can, therefore, be effected under our scheme supplies, in our opinion, a strong argument in its favour.

But it may be urged that the proposed measure involves an addition to our *gold* liabilities abroad, which, being too risky, we are not justified in incurring amidst the darkening prospects of silver. The pressure of gold interest-payments in England introduces into our national finances a very variable and uncertain element, depending as it does on the fluctuations of the silver market. Major Baring, in 1881, said in his Financial Statement (para 65), "Any extension of our sterling obligations is in the nature of a speculation, which may prove successful or the reverse according to whether the value of silver in respect to gold rises or falls"; and again (in para 62) he observed, "It is essential to a sound condition of State finance that the elements of certainty and stability should prevail to as great an extent as possible. No such certainty or stability can be attained if the state owes a large sum of money in a currency other than that in which it collects its revenue."

Now we at once admit that there is very great force in the objection advanced, and that coming as it does from so high an authority, it is entitled to respectful consideration. Our reply is briefly that the silver difficulty is exaggerated, and that it is possible to purchase the advantages of financial stability and certainty at too heavy a price.

The present gain under our proposed conversion scheme in respect of the rupee debt, which amounts to £ 665,356 is calculated on the double basis of (1) the present rate of sterling exchange (Re=1s. 6d.); and (2) the differential advantage in favour of *sterling*, as against *rupee*, loans, which is at present represented by full 1 per cent. We admit that both these are variable factors of uncertain tendency in the calculation, and that our estimate of the comparative value and eventual effect

of the promised present gain must depend on our estimate of the probable variations of each and their effect on our annual liabilities. If exchange becomes more adverse or the differential margin of advantage contracts, our present gain will be, at a certain point, turned into a fearful loss, and if reasonable apprehensions can be entertained regarding either contingency being realised, we freely concede that it would hardly be a justifiable step to incur a vast and indefinite future risk with a view to a present gain, however tempting. But what are the chances on which we can safely calculate and take action?

In the first place, as regards silver, we know that the rupee has fallen from 1s. 11d. to 1s. 6d. since 1872, when Germany decided on the demonetization of silver, and we also see that it shows still a tendency to a further fall. But we ask, can there be no limit to such fall? Is it possible that the downward tendency will receive no check? We are of course no friends of Bi-metallism which is an artificial and forced attempt, on the basis of an impossible international compact, at interference with the natural action of world-wide economic agencies, and which is, curiously enough, put forward as the sole refuge of forlorn hope on *protectionist* grounds by such staunch Free Traders and advocates of the *laissez faire* principle as Sir A. Colvin and members of the Simla Silver Association. But we confidently look for such check to the fall of the rupee to the action of three economic causes operating in its favour, *viz.* :—

(*a*) increasing demand for silver with increasing population and trade in the silver-using countries of S. America and Asia for purposes both of currency and ornament;

(*b*) increasing demand for silver even in gold-using countries for purposes of subsidiary coinage as monetary business expands in subordinate channels of industry;

(*c*) diminishing production of the silver mines of N. America.

These three forces will, we think, successfully resist the tendency of the rupee to continued fall. The depreciation may yet proceed some way further, but it will, before long, reach a point beyond which it cannot go. Our gain (of £ 665,356) estimated at the current rate of exchange [1s. 6d.] amply covers, and provides for, a fall of the rupee to so low a level as 1s.—2¼d., and we conceive that no more effective provision is required in the circumstances of the case.

But assuming, for the sake of argument, that the silver-depreciation will go on without end or limit practically unchecked, and will not save us our gain in that respect, we turn to the other factor in our calculation to see whether it does not supply us with a counter-balancing force on the other side, we refer to the differential advantage in favor of sterling, as compared with rupee, debt This advantage depends mainly on the state of the money market in England. If money rises in England and the margin is narrowed, we shall be left practically without help and remedy, in case silver should fall still further and threaten to turn our present gain into a loss and a risk. But we know that money has been falling in value there for many years past, and as far as we can judge from the economic conditions there existent, we have no reason to expect that the movement of fall will be arrested and turned the other way. Here, then, we say we have a reserve of considerable potential strength on which to fall back in case the silver-cloud darkens and assumes a threatening aspect. If money becomes cheaper in England, as we may expect it will, we can use our legal powers of conversion and carry out effective reductions in the pressure of our gold liabilities on account of sterling debt.

We then conclude, that it is highly improbable that the silver depreciation can proceed beyond a certain point, and any further beyond 1s. 2½d. for which we provide, and that even if it does go on unchecked, our gain will be saved from being converted into a loss by improvement in the condition of the money market in England.

Thus, we trust, it will appear that the measure we propose, *viz.*, the conversion of rupee into sterling debt, not only promises a large present gain, but is, whichever way we may look at it, absolutely free from the risk of eventual loss.

Such is the scheme of three-fold conversion we venture to submit for the consideration of the Finance Committee. The scheme, it may be observed, raises no question of *structural* change, but contemplates only *administrative* changes in the present management of the National Debt.

The net result of the scheme may be exhibited in a tabular form as under : —

As at present.		As proposed to be altered.			
£ Capital amount of stock.	£ Interest charge.	£ Capital stock.	£ Interest charge.	Increase of stock.	Saving in interest charge.
*67,002,212	3,136,000	77,300,000	2,320,000	10,300,000	816,000 †407,860
					1,223,860
‡67,025,044 R	2,658,248 R	71,304,000	2,139,120	4,279,044	519,128
§95,26,16,480 =£	3,92,74,054 =£	£	£	£	£
(R—1s. 6d.) 71,446 236	2,945,554	76,006,600	2,280,198	4,560,364	665,356
Total £	£	£	£	£	£
205,473,492	8,739,802	224,610,600	6,739,318	19,139,408	$2,408,344

Thus, this scheme, while it involves no present loss and no ultimate risk, promises us a net saving to the extent of nearly 2½ millions with the unavoidible set off, consequent on the price of 3 p. c. consols being at present quoted at 94, as also on the enormous rise in the value of the guaranteed stocks of railway companies, of an addition of nearly 20 millions to the amount of capital stock. The saving that would be thus effected is to us of very great importance, which may be utilised for the purpose of relieving the present or coming tax payer, while we have no fear of increase of stock with our reserved powers of conversion.

But such conversions alone, though they are calculated to secure a sensible relief to the national finance, cannot, and do not, go far enough. Our present liabilities on account of our

*Mr. Cohen's Scheme of conversion and consolidation with respect to the guaranteed Railway Debt—the E. I. Railway debt left out as being otherwise provided for.

†Government's share of increased Surplus profit.

‡Conversion of the present Sterling debt which falls in Oct. 1888.

§Conversion of the rupee debt into Sterling.

$Inclusive of Government share of Surplus profit.

national debt are too heavy for a poor country, and we are bound to allow due and fair consideration to the claims of posterity, even though it be at a certain present sacrifice. This duty of paying off the debt in order to lighten its future pressure must be in our opinion allowed preponderating weight over the claims of the present tax-payer to relief. Assuredly we cannot be justified in handing on undiminished to coming generations a tremendous load in incurring which they have had no voice, but which necessitates the hypothecation of such a large portion of their resources. We ought to provide, as far as our present means may permit, for a gradual redemption of those obligations.

The debt can be reduced in two ways, (1) by the application to that object of the yearly realised surpluses of revenue over expenditure, and (2) by the maintenance of a debt charge at a sum more than enough to suffice for interest payment. Of these two methods, the first, namely, the employment of surpluses, is with us out of the question, as the normal condition of our finances is one of deficits, and surplus years come to us at long, very long intervals; and even when they come, our Finance Ministers scarcely know what to do with their surpluses. They either yield to the imperious demands of the "spending" Departments bent on a career of reckless "extravagance", or to the troublesome clamours of the tax-payer who is always knocking at the door for relief. In the course of his reply to to the remarks of the Hon'ble Mr. Mandlik on the abolition of the import-duties, Sir A. Colvin said on the occasion of the Income-tax debt:—"Who in the name of reason could have hoped to maintain such a surplus? Would the Council like to know what would have happened if we had attempted to maintain it? Expenditure, much of it unnecessary, would have increased, and would have established itself. Extravagance would have been the order of the day; and when the day of retrenchment and reduction came,—as come it assuredly would,—the whole administration would have been thrown out of gear. If, on the other hand, so very considerable a sum as £1,200,000 had been maintained for the extinction of debt or for the construction of railways, how long would the tax-payer have put up with it?" Thus, the consequence is that our surpluses, when they come as windfalls, disappear between the "extravagance" of the Departments and concessions to the tax-payer, and are not available for the purpose of redemption. The *Famine Insurance Fund* is no doubt a good provision in this way, but it is so often liable to be gulped in the gulf now

of frontier wars, now of lowering exchange, that it is leaning on a broken reed to trust to it in this important matter.

So, then, there remains open to us the second method of paying off debt, namely, by maintaining a permanent debt-charge, including a provision not only for meeting the amount of interest-liabilities but also for paying off the principal. On this subject we venture to recommend special legislation ; for the object is so important, and obstacles in the path of its being attained are so many and formidable, that we should be sorry to see it left to the will and choice of the Executive Head of the Financial Department who often has " his hands tied behind his back " and is perfectly helpess in the matter. It is absolutely necessary to set in motion a system for paying off the debt on a considerable scale which will work *automatically* and will lie beyond the reach of official temptation to impede its working in order to meet the wishes of the spending Departments or the noisy tax-payer. We suggest the passing of a legislative enactment fixing an annual debt-charge at a sufficiently high figure to cover the payment of both interest and part of the principal, utilising for that purpose about two-thirds of the saving which could be effected by carrying out the conversions above suggested, or about £ 1,650,054. If the debt charge were fixed (say) at £ 8,388,422 per annum, *under statutory provision*, we should have a fair margin of £ 1,649,084, over and above what is required for payment of interest [£ 6,839,335 under the proposed scheme] and with this margin in hand available for the extinction of debt and which official caprice cannot abridge, terminable annuities might be created such as those created under Sir S. Northcote's scheme in 1875 or under Mr. Childers' in 1883. As far as we can calculate on the basis of Mr. Childers' annuities, we may say that with the amount in hand, two 20 years' annuities of £ 2,674,168 and £ 683,437 respectively might be created, which working automatically would pay off upwards of 50 millions of our debt in 20 years reducing its pressure on the finance by full one million and a half.

But such and other measures of redemption and conversion, which may be suggested, do not go to the heart of our difficulty in this matter of the National Debt. Nothing can, we firmly believe, really improve our credit and set right our position in the money market and give substantial relief to our finances so much as the advantage of the guarantee of the Imperial Government in respect to the whole of our debt obligations. It is

not possible to reduce such an advantage to figures; but roughly, we might say it cannot be less than from one million to one million and a half per annum. The boon is accorded to some of the British Colonies and dependencies, for at least portions of their debts, even irrespective of the consideration that they enjoy representative institutions and complete financial independence and are in consequence bound to be able to live with their own resources. As things stand here, our claims to such favor at the hands of the British Government are much stronger and juster than theirs. But the question as to the expediency of asking the Imperial Government to use its credit on behalf of of the country in the way suggested is perhaps a question of "structural" change, lying outside the scope of the Finance Committee's instructions. But we feel that, while on the subject of the National Debt, we are not going out of our way if we venture to draw the attention to some of the most important aspects of it as they present themselves to us.

Now, in the first place, highly as we value the "financial independence" of the country, and cordially as we endorse all that was urged on the point by Sir J. Strachey in an impassioned speech on a memorable occasion in the Viceregal Council in 1879, we cannot feel the slightest assurance that the duties and responsibilies, which that position of financial independence imposes upon the country, can be duly discharged without adequate powers of effective financial control which we at present do not possess. We have no representative assemblies, and our councils have only nominal control, if they are not quite registering bodies, over the national finance; our foreign policy is directed and controlled from Downing Street with reference to Imperial, quite as much as to purely Indian, considerations; our internal Administration, particularly on its fiscal and economic side, including taxation, P. Works, &c. is, for all practical purposes, determined and regulated by instructions from the India Office, with only seeming liberty of action left to the Viceroy in Council; but further,—what is much more to the point under consideration,—so autocratic and practically unlimited are the powers of the Secretary of State in Council that even the simple duty of living within his means is not authoritatively enjoined upon him. On the contrary, powers to borrow in England *on the credit of the Indian revenues*,—powers sometimes of limited, sometimes of unlimited scope—have been freely bestowed upon the Secretary of State by successive Acts of Parliament on the ground stated in the preamble of each "that the exigencies of the public service in India require that the

Secretary of State should be enabled to raise money in the United Kingdom on the credit of the revenues of India." Of the pressing nature of the "exigencies of the public service in India" in each case, the Secretary of State is practically left to be the sole judge, nor is he required, when he goes into the market armed with these powers, to say for what purposes his loans are required. Already such borrowing powers, granted to the India Office under Parliamentary sanction, cover an enormous credit of £ 86,810,866 of which those, given by Acts of '74, '79, and '85 since 1874, alone cover over 41 millions. Nor are the powers, so freely given, less freely exercised by the Secretary of State. More than 73 millions have been raised on loan in England, on the strength of the fore-mentioned powers, still leaving in his hand an unused balance, of these borrowing powers to the extent of 13 millions. But as far as we can judge from the recent Financial Statement of Sir A. Colvin, even this reserve will probably be exhausted before the end of the current official year.

Now, with these facts before us, would it be too much to say that the motive force of our financial organisation lies not here at Simla or Calcutta, but in London; and would it be wrong to expect (to adopt the weighty words of Mr. Gladstone, spoken in a different connection) that responsibility should lie where the means of action lie? It cannot be fair, in any view of the case, that England, acting through the executive Head of the India Office, should have absolute powers of control over our whole administration as well as our finances, and yet should have no share of responsibility for their soundness and solvency.

These are the simple equities of the case, but practical considerations of expediency too point the same way.

If the Imperial Government consents to employ its credit in the way of guarantee on our behalf, such interposition on its part, while it would involve no risk of immediate or prospective loss and commit it to no more than moral obligations, would serve to bring the British tax-payer into closer, more intimate, more responsible contact with the financial system of this country, and give a more effective force to public opinion in England with respect to Indian affairs than seems possible under the present arrangements.

But such help from the Imperial Government, while entailing absolutely no risk on the British tax-payer, would give a new and improved tone to our administration, and would,

at the same time, secure to us a large measure of relief in the midst of our difficulties which are unfortunately, in the absence of effective control and remedy, becoming chronic. We may go further and say that such intervention on the part of the British Government in our favour, most of all, promises to effectually save the struggling vessel of our national finances from sinking and foundering in the storm of military and other exigences. Here, therefore, we place our chief reliance for help out of our silver and other difficulties rather than on the action of the United States, the Latin Union, or Germany.

THE BURMAH DEFICIT AND THE ENHANCEMENT OF THE SALT DUTIES.*

Contrary to all expectations the new year has opened badly for the country. Financially speaking, the outlook is sad and depressing, and there is little in the horizon that we can see which is likely to relieve the gloom. After all the exhausting efforts and heavy sacrifices of the last decade of famine and distress, of war and war-scares, of conquests and annexation, we are as yet as far as ever from a prospect of rest, relief, and assured peace. While the political horizon is not yet clearing, and even discovers now and then a threatening cloud, we find ourselves in the midst of a financial crisis of unprecedented severity which seems likely to strain to the uttermost our feeble resources, add to the burdens of the suffering millions of the land, and place us permanently at a disadvantage in the industrial competition of the world. What, however, adds to the anxieties of the situation is that there is not discernible at head quarters a proper appreciation of its nature and gravity, and consequently there is no serious inclination to make a resolute effort to grapple with it in a firm and bold manner. Mr. Westland is a good Comptroller-General of Finance, and a very capable accountant, but what we want at such a time as this in our Finance Minister is not departmental skill or mere administrative ability, but a statesmanlike grasp of the position of the country as a whole and of its present as well as permanent wants and resources. Lord Dufferin is a noble ruler with correct sympathies and views, but finance is not one of his Lordship's strong points, and further he has not displayed sufficient strength of character to enable him to rise superior to the service influences by which he is surrounded, and which a Ripon or a Northbrook alone could at times overcome. Altogether, we feel hard times are coming, and there is no proper directive skill at the helm to guide the vessel of the State aright, through the shoals of narrow and jealous departmentalism on the one hand, and a misguided and crude empericism too prone to experimentalize on the other, and we may be pardoned if under the circumstances we, with the rest of the country, vainly sigh for a year or two of a Gladstone or a Goschen at the head of

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affairs in this country to put the house in order. The worst of it is, that the crisis of bankruptcy, which now confronts us, is principally attributable to the adoption a few years ago, against the almost unanimous protest of the country, of the policy of aggression in regard to Upper Burmah. The war with that country may or may not have been necessary, but annexation certainly was an unwise and wanton adventure. Lord Dufferin the other day tried to vindicate the action of Government in this respect, but no vindication can justify the policy of saddling India with the entire expenses of this undesired alien accession of territory beyond her natural border. While loudly boasting that the whole enterprise was undertaken principally to defend the interests of English commerce and English expansion against French aggression, the Government of India had not the courage to call upon the English Government to follow the noble precedent set by the Gladstone cabinet in reference to the last Afghan war. We are aware, no useful end would be gained by entering, at the present moment, into a discussion of the justice or wisdom of this aggressive policy—and if we refer to it *en passant* here, we do so only to emphasize the fact of the responsibility of England and the Imperial Government for the embarrassment in which we now find ourselves.

Burmah, it is now admitted, has proved the White Elephant of Lord Dufferin's administration. The voice of the Rangoon Chamber of Commerce is now discreetly silent; the English commercial bodies too maintain a like attitude of prudent reserve. But the people of India cannot sit silent under the strain put upon their resources. They have to undertake the unpleasant duty of finding the requisite money to pay the piper. The scales have at last fallen from even official eyes. "I confess," said Sir J. Gorst in the House of Commons in September last [vide London *Times*'report of his speech], "that financially Upper Burmah has been so far a *disappointment*;" and again, "It is only candid that I should state that the financial result of the annexation of Burmah has been to throw on the revenues of India a heavier charge than was expected." "The estimate is that there will be a deficit in Burmah of £ 1,775,500, which may mount up to £ 2,170,500." The Honourable Mr. Westland, with equal frankness, in his speech on Friday the 28th January in the Viceregal Council, puts the "special expenditure, of which except in the item of military expenditure in Burmah, no reduction can be expected for two or three years" at £ 1,780,000.

The cost of the Burmese White Elephant is thus close on two millions a year. This addition to our expenditure is, however, not our sole difficulty. The budget estimates of Sir. A. Colvin have turned out woefully wrong on either side of the account. The revenues show a serious deterioration, while expenditure is growing fast and cannot be arrested. It is impossible to stop or change the horses while crossing the stream. The work of aggression once begun must be got through on both sides of the frontier and that too, within the shortest possible time. The fat years, Mr. Westland tells us, "are gone;" and gone seemingly for ever, and "lean" years, Heaven knows how lean, "are coming on, and like prudent men of business, it behoves us to be wise in time and provide, while yet we can, for another rainy day." Mr. Westland is apparently not a financial purist, and therefore estimates the present deficit at only 1½ millions. If he had been free to state the *whole* truth, he would have set down the deficit at 4 millions nearly, including "a working surplus of 2 millions for Famine Insurance and for the accidental outgoings of a large Empire."

But even a deficit of nearly 2 millions, low as is the estimate, is a very serious affair for a poor country like India. Optimist writers in the Press assure us that the Government of Lord Dufferin need not be appalled by this crisis. The course adopted by Government, however, is that of working along the line of *least resistance*. They dare not touch the import duties, because of the *British* clamour it would raise; they dare not ask the English Government to bear part of the expenditure incurred to keep forward English interests; they will not reduce expenditure lest the services rebel; they therefore come down upon the silent millions who cannot speak and levy a poll-tax of 2 annas per head by raising the duty 400 per cent upon the the cost of manufacturing salt! In the exercise of the powers vested in it under the Salt Act of 1882, Section 7, Government has thought fit by a Notification in the *Gazette of India Extraordinary* "to raise the duty on salt from Rs. 2 to Rs. 2–8 in continental India and from 3 annas to Rs. 1 in Burmah," making thereby a sudden permanent addition at a moment's notice of nearly two crores to its annual revenue.

The deficit is thus met, and the way discovered of meeting it, whatever else may be said of it, has the merit of bold adventure; it may be a leap in the dark. The money required is found with the minimum risk of effective opposition, and the present difficulty is got over. The Government has

its path cleared in a charmingly noiseless way, and now can enjoy smooth sailing till it chances again to descry another and a possibly bigger rock a-head, which will then mean a shipwreck.

Viceroys and Secretaries of State come and go—the bubbles of their ephemeral reputation burst in vanity; but not so with the toiling millions of the land. They are constitutionally speechless, but none the less will they resent the injustice and hardships that are thus sought to inflict upon them. For the wanton luxury of a forward policy of aggressive war and needless and unjust annexation indulged in by their irresponsible rulers, they find all on a sudden, on the morrow of the Jubilee year of Her Majesty's reign, that they are made to suffer and that too in respect of a prime necessary of life. By a stroke of policy, as unjust as it is timid, the brunt of the crisis is made to fall with a heavy pressure on the weak and weakened shoulders of the poor masses in the country, who toil and moil from dawn to dark, and yet have to be content for part of the year with one meal a day, and who generally go through life on insufficient food!

The deficit is a hard and unpleasant fact which admits no denial. Equally undeniable is the embarrassment, which is its result, to the financial arrangements of the year. The necessity imposed upon the Executive Government of filling up the gap and restoring the financial balance is obvious. There is no difference of opinion on this point between Government and the public. The real practical issue is as to the means of meeting the abnormal deficit. Native public opinion at any rate holds that the wise resolution, announced by Sir A. Colvin in his financial statement of March last year to the effect that "in view of the causes which have led to an increase of expenditure and of the other considerations which present themselves in connection with the financial situation, it is not the intention of Government to add materially to existing taxation", should not have been departed from, and that the excess expenditure should have been met by recourse to measures less objectionable. It might, for instance, have been met by the adoption of one or other of the following alternatives :—

1. By a vigorous enforcement of economies in various items of what may be called optional expenditure as distinguished from "obligatory," as was done at the time of the Afghan war,—economies intended to be temporary only

for meeting temporary extra charges such as the present Burmah expenditure avowedly is, (vide Mr. Westland's speech); secondly, by effecting permanent economies in several of the directions suggested by the Finance Committee; and thirdly, by curtailing the Military expenditure as far as practicable in accordance with the recommendations of the Army Commission and other high authorities; or if this was not practicable, by reducing the strength of the European and Native armies to the standard of 1884-85, as the cause which furnished a plausible justification for the increase had by reason of the Boundary settlement ceased to be operative.

2. If such economies were not possible or if in the opinion of Government they were not adequate to meet the present deficit, the precedents laid down by the Government on previous occasions should have been followed of asking the British Exchequer either for a rate-able contribution or a loan of the necessary amount without interest repayable in small instalments; and such a course would have been more than justifiable under the circumstances under which this country has been placed in a position of such embarrassment, and would have made the British taxpayer bear, in however small a degree, the cost of the forward policy.

(3) Even if this resource was not available, a loan of a temporary character to be paid off by short period terminable annuities might have been tried, and the usual extraordinary P. W. loan either added to or suspended for the period. This expedient has the high sanction of such eminent authorities as Mr. Childers, Sir S. Northcote and Mr. Goschen who have adopted it in reference to English finance with signal advantage. Irresponsible criticism regards such loans as timid and not heroic remedies, but India must be content with timid measures of relief, and cannot afford to be heroic.

(4) Lastly, if none of these courses appeared feasible or expedient, and fresh taxation were deemed to be the only means available, the Income Tax Act might have been laterally extended, so to speak, and large agricultural incomes in permanently settled provinces, exempted in 1886 for special reasons, might have been assessed to the income tax,—a measure which in Bengal and North West

Provinces, Oudh and Madras, would have, according to our rough calculation, brought into the treasury no less a sum than 40 to 50 lakhs. The re-imposition of the cotton duties, taken off on the express ground that the condition of the national Finances permitted their removal, was another measure which it was perfectly open to Government to adopt on the old plan, or better still a general *ad valorem* Registration duty of one or two per cent on exports and imports might have been tried as a temporary measure.

With such a choice of ways and means of tiding over the difficulty at its command, it was, to our mind, a deplorable mistake that Government should have considered itself justified in adopting the very worst policy imaginable for the purposes, and putting the burden on those least able to bear it. After making the fullest allowance for the difficult position in which Government is placed, as well as for the political exigencies of the party in power in England to which the Government of India cannot even with the best intentions shut its eyes, we maintain that this further taxing of the poor man's *salt* so as to make it by 25 p. c. dearer was an unwarrantable proceeding, while the rich man's coffee and sugar and tea go scot-free, and the pockets of the rich Zamindars of Bengal and N. W. and Oude and Madras and of the rich tea-planters and coffee-growers of Assam and Chittagong are allowed to remain untouched.

The Salt Notification of January 19th last, marked so unusual a departure from the traditions of the financial bureau at Calcutta that it was generally expected that some explanation of it would be vouchsafed to the public. That anticipation has been fulfilled. Mr. Westland seized the first opportunity, though of course not bound to do so, of referring to it in his speech in the Legislative Council in the course of the discussion on the taxing Bills before it. The debate, as well as the explanation, will be memorable even in the annals of our Legislature. Were it not for its tragic seriousness, we for ourselves should be disposed to characterise the whole proceeding as a curious comic performance. Mr. Westland came forward, with a set formal speech, fortifying himself with carefully culled-out but partial extracts from Major Baring's speech of four years ago delivered on the occasion of the reduction of the salt duty from Rs. 2-8 to Rs. 2, and stating the conditions under which that measure was adopted. Mr. Westland pursued his way straight on, looking neither to the left nor to

the right of the line in regard to the salt taxation policy, which he believed had been chalked out for him with a true prophetic vision by Sir E. Baring. Of course there is the usual expression of regret at the suffering the enhancement of the salt duty *may possibly* cause to the poorer classes. But the hard necessities of the situation leave Government no other alternative. The Honourable Peary Mohan Mookerjee next rose to speak as a *selected* representative of the people of India. While admitting that he was taken by surprise, and had no time for the examination of the question, he subscribed to the soundness and sufficiency of the Finance Minister's plea, and volunteered an expression of warm approval on the part of himself and his countrymen of the Government measure. The Honourable Mr. Steel then rose, and as an exponent of a powerful section of the Anglo-Indian community of Calcutta, he defended the enhancement policy, and blamed the Government for being so apologetic in respect of a duty so light in its incidence. Such a duty as two annas per head per annum cannot, in the opinion of a representative of English Commerce, possibly press very hard on any section of the population, and with such an elastic resource in its hands, he told Government that it could well afford to take off the "intolerable" rice duty, and the still more "intolerable" income tax! The Bombay member spoke next, and though himself a large employer of labour, he was apparently overawed in the august presence of His Excellency the Viceroy and his colleagues, and forgot himself and fell in with the stream. Lastly the Viceroy addressed the Council. In a becoming solemn tone he accepted the approving voice of the Native members as the voice of "intelligent public opinion," expressed his grateful acknowledgment of the support thus given by them to the Government in its present difficulty, and concluded by expressing his deep regret that cruel necessity should have thus imposed on his Government this disagreeable duty of adding to the burdens of the poor.

Thus was played out this solemn farce of legislation which makes the hard lot of the suffering masses in this country harder still. The harmony of the proceeding was charming enough; but that not a single word of protest on behalf of the helpless poor should have been put in, that not a single member should have had courage enough to stand up in his place to suggest any other alternative, that the poor Ryot's salt should have been allowed to be made dearer by a fiat of the Executive without a word of demur in the Legislative Chamber—these are some of the features of the debate in the Viceregal Council which will

make it ever memorable. We cannot trust ourselves to describe the whole proceeding in its true colour ; and so we shall content ourselves by saying that the debate was discreditable to the Legislative Chamber which, sitting as the guardian of the nation's sacred interests, showed no respect for its own independence, and was afraid to speak out against the Executive Government ; that it was more discreditable to the native members who ought to have known their duty better ; and that, above all, it was most discreditable to the system which permits of such trifling on the part of an irresponsible Government with the actualities of a hard position. In fact, this debate supplies to our mind one argument the more in support of the demand of the National Congresses of Bombay, Calcutta, and Madras, for the reconstitution of the Legislative Council on an elective basis.

To return from this digression. The Salt Notification was perfectly legal under the present Salt Act, and we do not for a moment challenge the *legal* propriety of the action which the Government has taken in thus using the powers entrusted to it by the Legislature as an easy escape from the financial embarrassments which its own policy has brought on. We freely concede that Government is perfectly within its rights thus far, and would have been within its rights, even if it had so chosen, and raised the salt duty to the full maximum of Rs. 3 per maund allowed under the Act, instead of only to Rs. 2-8-0. The action of the Government appears to us to be open to condemnation on much higher and stronger grounds than those of technical propriety or legality. Before proceeding to state these grounds, we cannot help observing that the grant of such a tremendous reserve of taxing powers to the executive administration is a blunder of the gravest seriousness, and from a constitutional point of view, it is in conflict with the spirit, if not with the letter, of the Indian Councils Act of 1861.

Section 7 of the Indian Salt Act 1882 runs as follows :—

"The Governor-General-in-Council may from time to time by rules consistent with this Act

(*a*) Impose a duty, not exceeding Rs. 3 per maund of 82½ pounds avordupois, on salt manufactured in, or imported into, any part of British India ;

(*b*) Reduce or remit any duty so imposed, and re-impose any duty so reduced or remitted ;

(*c*) Fix the minimum price at which salt excavated, manufactured or sold by or on behalf of the Government of India, shall be sold."

This Section of the Salt Act, as it at present stands, raises two distinct questions, one of financial policy, and the other of constitutional law. We shall take the latter issue first.

The year in which the salt duty was reduced to Rs. 2 all round to the relief of the poorer classes was also the year in which this Salt Act was passed *i. e.* 1882. Thus, looking to the empowering 7th Section, we find that while, on the one hand, the Executive Government decides, in the exercise of its discretion to levy the duty at only Rs. 2 per maund, the Legislature, far from adopting a like schedule of duty leviable under the new Act, fixes the maximum amount of duty at Rs. 3, or one rupee more than the rate adopted or deemed necessary by the Executive Government. This is equivalent to conferring upon the Executive Government of the day an extensive and enormous *reserve of taxing power under a legislative enactment*, by which it can at its own will and pleasure at a moment's notice add to its current revenues no less a sum than *full 3½ crores without further application to the Legislature for sanction to that addition.* It amounts to giving *an enormous vote of credit in perpetuity*, in advance and by way of provision by anticipation for an emergency that has not arisen, or may not arise,—a vote which, in constitutionally governed countries, is granted to the Executive only on special appeal and under special circumstances, and for a temporary or exceptionable purposes only. The bestowal of such taxing powers in *reserve and in advance* on the Executive administration by the Legislature is tantamount in effect to parting with its powers of control and supervision, which it enjoys as a legislative authority under the Indian Councils Act of 1861,—to the extent to which the reserve may be drawn upon and used. And the question of constitutional law, which such a legislative enactment suggests, is: how far the Indian Legislature, which is itself a subordinate legislative body, deriving its powers by delegation and trust from a superior legislature, is justified in surrendering, without necessity or sufficient cause, any portion of those powers, in contravention of the plain intentions of a statute passed by that superior legislature, legalizing the existence of the subordinate authority. Our view is that it cannot be justified in adopting any such course which tends to diminish its powers, to derogate from its authority, or to weaken its position, and that

it is not at least *morally* open to it to efface or abolish itself by its own voluntary surrender. It is a point, however, of constitutional law on which rather than seek to dogmatise, we would invite the opinion of publicists and jurists. But whatever lawyers might say on the point, there can be no doubt that in no constitutionally governed country, *i. e.* in no country where a separate legislative and executive authority is constituted by law, such reserve powers of discretionary taxation are in fact ever conferred on the executive authority by the Legislature. Such powers are only conferred when there are subordinate municipal or local bodies and corporations invested with the power to tax. In their case the Legislature fixes maximum rates and permits the subordinate bodies to exercise their discretionary powers of taxation within those limits. In the case of the Executive Government, there is no such discretion left, and it is always deemed to be an essential safeguard of legislative independence that all alterations in burdens financial should be made after consulting it. In India especially, the Executive has always an assured majority in the Legislature, and there is therefore no advantage in the way of political expediency in thus encouraging a tendency to avoid as far as possible reference to the legislature for its sanction before national taxation is enhanced.

We are aware that it might be plausibly argued on the other side that the Government of India is so peculiarly situated that it ought always to have large reserve powers of raising money for purposes of government. Those who urge this view forget, however, the fact that the Government of India has these large powe s already in a variety of ways—(1) It has at its command and free disposal large *cash balances* in its treasuries on which to draw at its discretion. There is no statutory rule as to the level at which these balances must be maintained, or the limit to which they may be depleted to meet extra expenditure, and in the absence of such a statutory rule, these cash balances show large fluctuations from year to year. In 1872-73 the closing balances amounted to nearly 25 crores, while this year they are expected to fall so low as nearly 11 crores. Having regard to the magnitude of the transactions at the public treasuries (aggregating upwards of £ 200,000,000), to the vast extent of the territories administered by the Government of India, and to the unequal distribution of the revenues of the year, and remembering also the liability of the Government of India to sudden demands upon its treasury for war, famine, and other public necessities, and the scanty resources of the Indian money market, Lord Northbrook's Government deter-

mined in the closing year of his administration that it was only prudent to provide for balances at the end of the year, aggregating to £ 13,500,000 for ordinary purposes (vide Sir J. Strachey's Financial Statement for 1877-78). The variations in the closing balances from year to year above and below the *normal* level of 13½ millions fixed by Lord Northbrook's Government in 1876 amounts to no less than 11·318 millions above the line in 1872-3 and 2·4 millions below the line this year. Certainly these are large variations dependent solely on the will of the Executive Government, and leave a dangerous margin of ready resource in hard cash in its hands on which to fall back in times of pressure. and escape the necessity of an appeal to the Legislature for fresh taxing powers. The whole world also knows in what manner the Government of Lord Lytton made use of this reserve at the crisis of the Afghan war, when England was on the eve of a general election. and the fortunes of the Beaconsfield Ministry, whose nominee he was, were trembling in the balance.

(2) Moreover, the Secretary of State for India has always in *reserve* enormous powers of borrowing granted to him by Parliament. The total authorised borrowing powers up to date amount to a formidable figure of 86 millions out of which. the net borrowings already cover a total of 73 millions, and the Secretary of State has still in his hands *unused* powers to borrow over 13 millions,—a reserve of fiscal resource which can enable easily any autocratically minded Secretary of State, and through him the Indian Government, to defy the control of the Legislature and public opinion.

(3) The Government has had throughout the period a net working surplus, varying from 3 to 5 millions, of revenue over *ordinary* expenditure, to meet, on the high doctrine of Sir J. Strachey's finance, extraordinary and sudden calls on the treasury. We shall refer on another occasion to the financial and economic bearings of this objectionable practice of keeping on hand large surpluses in the name of financial solvency on the high and heroic Strachey doctrine of a "working surplus." It is enough to point out that, besides having the effect of maintaining the taxation of the country at an abnormal level, scarcely compatible with the steady advance of its industries and commerce, and highly prejudicial to the interests of the labouring population, these surpluses have proved at least during the last decade a most convenient reserve in the hands of the executive Government on which to draw in time of

pressure, without being under the necessity of making an appeal to the Legislature except when it chose. During the 12 years from 1875-76 to 1886-87 Government has paid, out of these surpluses alone, 40 millions for extraordinary charges as under :—

Wars—Afghan, Egyptian, Burma	15½
Frontier Railways	8
Famine relief	9
Famine insurance	8
	40½

That Government has been able to meet such an enormous amount of excess extraordinary expenditure with only occasional and convenient appeals to the Legislature, is a fact which too plainly shows what a dangerous power these surpluses can prove in the hands of an adminstration inclined to act in defiance of the control of the Legislature. With such vast powers at its command, the Executive Government in this country ought not surely to stand in need of a reserve power of taxation like that vested in it by the Salt Act. The Salt Notification of the 19th January last only serves to bring out in alarming relief and to emphasize this consitutional danger which is involved in such a legislative provision, as that contained in section 7 of the Salt Act. The danger is as yet at its beginning, and while it has not yet struck deep roots, it behoves us, we think, to resist it and seek its removal in time ; for, as Mr. Gladstone truly remarked in his speech on Mr. Goschen's Budget last year in the House of Commons, " in finance, above all other matters, *it is the beginnings of evil that are insidious.*" With these remarks on the constitutional question suggested by the 7th section of the Salt Act on which the present salt notification is based, we proceed to consider the financial question which is involved in this action of Government.

Financially speaking, the action of Government has been justified on the sole ground that as the Government of India must, like all other Governments, have a resource of taxation in the nature of a reserve power, sufficiently prompt and productive to enable it to meet great and sudden emergencies, the salt tax in India is such a reserve, and as the emergency had arisen, the Government of India was, financially speaking, justified in using its powers to raise this duty. We question in the first place the soundness of the position that the Government of India needs a reserve of taxing power. The position

and authority of an Indian Finance Minister are so very much stronger than those of the English Chancellor of the Exchequer, his duties and responsibilities are comparatively so light, while the enormous resources of borrowing powers in reserve, and cash balances, and surplus revenues are so great in the hands of Government, which moreover always commands an assured majority in the legislative body, that a reserve of taxing power is not so necessary in India as in England. But granting that such reserve power is necessary, it does not follow that the salt duty is best adapted for this purpose. A fiscal reserve must in our opinion fulfil the following among other conditions :—

1stly.—That, whatever it is, the tax, chosen as such a reserve, must not be opposed to the fundamental principles of economic science ;

2ndly.—That the tax must be capable of direct, certain, and immediate expansion, in times of need and pressure, without inflicting in the process the evils of violent disturbance, or derangement of the commerce and industries of the nation ; and

3rdly.—That the expansion of such a tax, whenever necessary, must involve the *minimum* of hardships and sufferings to the vast majority of the population.

Now if we are right in holding that no tax which fails to fulfil any of these primary conditions can be selected to serve as a *fiscal* reserve, it is clear that a tax on a prime necessary of life, and involving so much misery to the millions of the poorer classes, as this anomalous salt monopoly tax which exists in India, pressing upon the people like a Poll-tax, falling lightly on the rich and oppressively heavy on the poor, must be peremptorily excluded from the category of taxes fairly eligible for this purpose. Our salt-tax no doubt satisfies to some extent the second condition above laid down, but political justice and economy alike put a ban upon it as being a tax upon a necessary of life, and experience supplies but too painful a proof of the cruel hardships and sufferings it is capable of inflicting on numerous classes of the population, whose earnings suffice but hardly for their daily wants, and who know not from year's end to year's end the *luxury of a full* good meal. The incidence of such a tax, as represented in figured percentages, is no measure of the crushing pressure with which it falls on a vast number of poor people.

Financially, therefore, both the assumptions, on which the Government action in the matter of this enhancement has been justified, appear to us invalid in the extreme. And here we conclude these rather lengthy observations on the policy of such legislation as is involved in section 7 of the Salt Act, which we venture to condemn in the strongest terms on the grounds stated above, as constitutionally fraught with serious danger, and financially bad, violating every received principle of Political Economy and finance, and which can emanate only from a Legislature, weak or unmindful of its own proper duties and dignity.

To pass on now to the Notification of the 19th January last issued on the strength of this section of the Salt Act. The Notification seems to be objectionable both in manner and matter, and further, it comes upon the nation as a painful surprise and a severe disappointment.

That Government possesses a large resource of taxing power in reserve, which it might at any moment turn to account under the provisions of the Salt Act of 1882, is a circumstance of which those who have watched the course of recent fiscal legislation are perfectly cognizant. The general impression, however, has always been, that such a reserve is primarily intended, in its aim and purpose, to be drawn upon only in times of extreme pressure and embarrassment as the last fiscal resource *after*, and not *before*, all other financial expedients have been tried, and that too, as a strictly *temporary* and exceptional measure. The distinct assurances of Sir Evelyn Baring and of Sir Auckland Colvin on this point, and the imposition of the Income Tax two years ago in place of the enhancement of the salt duties under this section of the Salt Act, though the latter course was at that time pressed on Government from more than one quarter,—both these circumstances have tended to confirm this general impression and popular belief. Under these circumstances, it is only natural that the country should have been surprised and alarmed at the course which Government has seen fit to adopt in using that reserve as the *first*, instead of as the *last*, financial expedient, not for meeting extraordinary demands, but for balancing ordinary expenditure without the excuse or justification of a sudden and pressing emergency which could not be otherwise tided over. The taxing Notification, coming thus when least expected, and without any apparent necessity, has the appearance of a precipitate, if not also a desperate, measure of panic which a great crisis of unprecedented magnitude alone could justify,

and which, in the absence of any such justification, has only the bad grace of being an index of embarrassed and mismanaged finance. The circumstances of the present situation, embarrassing though they undoubtedly are, do not supply sufficient justification for such action, and it appears to us that the Executive Government has laid itself justly open to the charge of having shirked its plain and honest duty in the matter, and found a way of escape from its difficulties, which considerations of financial justice should have led it to avoid, and which with courage and firmness it could have easily avoided.

Besides, this announcement of fresh taxation comes upon the country as a surprise sprung upon it, in the teeth of the strong assurances to the contrary vouchsafed to it last year by Sir A. Colvin out here, and by Sir J. Gorst in England. In March last, while the country was in the midst of the Jubilee festivities, Sir A. Colvin gave it a most welcome assurance on the part of Government that "in view of the causes which have led to an increase of expenditure, and to the other considerations which present themselves in connection with the financial situation, *it is not the intention of the Government to add to existing taxation*," (the italics are ours), adding that "the Government is of opinion that it would be undesirable to seek to meet the deficit at present arising from the causes (*i.e.* war and exchange) by the imposition of further burdens." Later on, in September last, Sir J. Gorst, when he made his financial statement as usual in the House of Commons, confirmed this assurance of Sir A. Colvin in yet stronger language. Referring to the cost of the frontier defence works, which are held to be a charge upon Revenue, according to the principle of Indian finance, the Under-Secretary of State for India said, "no one desires that extra taxation should be placed upon the people of India," and that "*the Secretary of State has no intention of urging the Government of India to impose any extra taxation.*"

These assurances were most gratefully and loyally accepted by the public in this country, and the hope was entertained, on the strength of these assurances, that there would be no fresh taxation this year. The speeches of His Excellency the Viceroy at Benares and Peshawar, assuring the country of returning peace and prosperity, added strength to this hope.

But this just expectation of the Jubilee year of Her Majest's reign received a rude and sudden shock, when Mr. Westland, the acting Finance Minister, made the announcement of the

new taxation, as if by way of response to the loyal demonstrations of the Jubilee year, and showed no hesitation in laying his hands on the pockets of those least able to bear the exaction, while letting off rich Zamindars and his rich friends, the tea-planters.

Taking this Notification, however, as it stands, we shall now proceed to examine briefly the correctness and adequacy of the Government's explanation of this new taxing measure. The Hon'ble Mr. Westland in his speech on the Petroleum Bill attempted to demonstrate the necessity for fresh taxation. Adopting as his point of departure Sir A. Colvin's Financial Statement of March last, which showed a Budget equilibrium of income and expenditure, he summarised the financial position of the Empire at the present moment thus :—

The changes that have taken place in our financial position between 1884-5 and the Budget statement of 1887-8 are as below:

		£ (=Rs. 10)
Army charges have increased by	...	980,000
We are spending on frontier works.	...	200,000
Upper Burmah is costing us in :		
Civil and Marine charges	... 1,100,000	
Military and Civil works	... 480,000	
Military operations	... 720,000	
	2,300,000	
Deduct Revenue	... 520,000	
		1,780,000
Exchange adds to our accounts	... ...	1,790,000
	Total new demands	£ 4,750,000

These demands we have met has follows :

(1)	We have obtained by the imposition of the Income Tax	900,000
(2)	And by other improvements of revenue.	960,000
(3)	We have stopped for the time being the appropriation to Famine Insurance of revenue amounting to ...	1,450,000
	And to Railway construction of revenue amounting to	260,000

(4)	We have diminished the amount of revenue assigned to Provincial Governments, thereby causing a reduction of the Public Works expenditure by	500,000
(5)	We have also secured by small savings	180,000
(6)	And finally we have absorbed the prescribed surplus of	500,000
	Total...	£ 4,750,000

This, then, was the financial position at the time of the Budget estimates of 1887-88. The further deterioration since then in our position, which we have to face, is made up of :—

Loss by exchange...	720,000
Railway Revenue less by ...	400,000
Opium Revenue less by	300,000
Total deterioration	£ 1,420,000

Such is the picture of the financial position drawn by Mr. Westland, namely, 4½ *crores of annual taxation* appropriated under one plea or another from the wretched income of an unhappy impoverished population, to purposes of war and conquest, and swallowed up in the short space of three years, and still leaving behind the awful gap of 1½ crores ! About 1½ *crores more* of revenue are wanted to cover the deficit, and that too *to just cover it temporarily*, without making any provision for Famine Insurance and Frontier defences, and without leaving any working surplus, or safeguarding us against a further possible fall-off in our revenues *e. g.* under opium ! The Burmese promenade and the Penjdeh scare have brought us to this pass. What if other and bigger Burmahs or Penjdehs were to come on ? Thibet is already threatened, our soldiers are guarding its steep heights to force the Lama to allow an opening to British traders. Siam has been negotiated with, and delimitation is going on in Afghanistan, while in Europe war is threatened at any moment, and nations are armed to the teeth. No wonder the prospect is not at all cheering, and the wearied Viceroy seeks rest in early retirement.

The Burmese deficit is 175 lacs, and how does the Hon'ble W. Westland meet it ? In his speech, he first discusses several

possible ways of meeting it. He begins with *economies*. On this question we regret to observe that he is very unfair to his critics, and places the point at issue in a partial and misleading light. After having distinguished between what he calls optional increase of expenditure, as opposed to compulsory additions over which Government has no control, and having shown that the increase in optional expenditure had been 2 crores, during the last ten years he says—"Of course we might have refused to allow even this amount of increase. We might have refused to open new Courts of justice where the increase of population or of business demanded it. We might have refused to increase the Police expenditure which is still, in the opinion of many authorities, at a figure, dangerously low, and run the risk of breeding insecurity to life and property. We might have stopped the increase of schools and of hospitals and of roads. We might have shut our eyes to events in Central Asia, and refused the increases of political and Military expenditure forced upon us by the approach of a great civilized power on our N. W. frontier. In short, we might have refused to discharge the duties and responsibilities of a civilized Government, either with respect to our own subjects, or to the nations which lie beyond our frontier. And those who think we should have observed this attitude are, to this limited extent, right in pointing to our increase of expenditure as evidence of want of financial control. With such people I do not desire to argue, and the Legislative Council is not the place where such arguments are called for."

We beg to meet with a direct negative the whole of this indictment of the critics of public expenditure, namely, the European Chambers of Commerce and the Native Associations, and, last but not least, the writers in the Indian Press, who have suggested possible and practical economies in the expenditure of the State. As far as Civil expenditure is concerned, no representative exponent of public opinion has ever, as far as we know, asked Government to cut down the number of schools and hospitals and Courts of Justice, and reduce in other directions *really useful* and *necessary* expenditure. As far as native public opinion goes, we may point in support of our contention to the Resolutions passed by the three successive National Congresses held in Bombay, Calcutta and Madras in the last three years, which contain demands for various administrative reforms, involving more or less an increased outlay of public money, such as, the separation of Judicial and Magisterial functions, Technical Schools and Colleges, Military Colleges,

&c. When the Finance Committee was appointed in the early part of 1886, and it appeared likely that Government had under contemplation reductions of such useful and necessary expenditure, we ourselves protested in the pages of this Journal in the strongest terms against such reductions. What the exponents of public opinion have all along been insisting on, and with consistency, is that Government should curtail what experience and prudence alike point to as *useless* and *needless* and *mischievous* expenditure of public money,—*useless* such as the construction of *palatial* buildings; *needless* such as the expenses of the exodus to the hills, and the employment of *costly* European agency in places where *cheaper* Native agency of equal or even greater capacity is available, and unnecessary additions to the Army and Home charges; and *mischievous* such as money spent on the "scientific rectification of the Frontier," in pleasant "Military promenades" into other people's territory, interesting philanthropic enterprises taken up in the name of cosmopolitic humanity and civilization,—all good and proper objects in themselves, but in which India has no lot or part. These were the directions in which economy was suggested. With the usual *nonchalance* of official routine, Mr. Westland evaded giving any reply to this criticism, and repeated for a hundredth time the well-known and worn-out platitude that efficiency and progress cannot be sacrificed on the altar of false economy. Similarly in regard to military expenditure Mr. Westland stated in a very unfair manner the issue between the Government and its critics. No one asked Government *to shut its eyes* to the vast political changes that are taking place in Central Asia and neglect available defences. On the contrary, public opinion, both Indian and Anglo-Indian, is unanimous in patriotically recognising the necessity which those changes in Central Asian politics have imposed upon the Government of this country for strengthening its internal and frontier defences. The real point at issue is, whether the policy of increasing the strength of the European and Native armies which Government has at present adopted, and seems apparently bent on carrying out regardless of cost, is the *best* from a political and Military point of view, and the most *economical* from the strictly financial point of view. Native public opinion is emphatic in its declaration on this question. It contends, and justly too, that the present Military organization of the country is not what it ought to be, and can easily be made to be, for the money so lavishly spent upon it, and that we should be infinitely stronger as a Military nation, and with less expenditure of money too, if

only that organization were to be improved and reformed on the lines and in the direction which past Military experience, as well as political justice and national safety, alike suggest. Frontier railways, Military roads, scientific naval and harbour defence works,—at whatever cost and on whatever scale constructed,—are but a subsidiary adjunct and help to the true national defences and cannot supply their place. The one source of Military weakness of this country at present is, as we said last year, the wrong military policy of Government founded on distrust and suspicion which, while it neglects to utilize the military instincts of the warlike races of the Deccan and the N. W. Provinces and the Punjab, and to enlist, in the cause of national defence, the active co-operation of the higher and upper classes in the country by opening out higher careers for their military ambition, seeks to augment the numerical strength of the European forces. A local European army with smaller numbers would be a source of strength far more real than any additions to the short-service men sent out from England, who will always be liable to recall in any great emergency. The foreign mercenary forces will be still less available for purposes of defence. The necessity for increased military preparedness in the face of the Russian advance is nowhere denied, but what the country urges is that the present Military policy, heedless of consequences, should give way to a policy of trust and confidence; that the Arms Act should not be maintained and administered in its present severity, so as to allow only a handful of men to possess arms in a country with 500,000 towns and villages, and with a population larger than that of the five principal states in Europe; and that there should be, in addition to the local European and native armies, a large reserve force consisting of the armies of the Native states which could easily be made really effective for the national defence. While these reforms do not engage the attention of Government, the very first essential conditions of effective military national preparedness are wanting, and the vast sums Government is spending on objects and schemes which can bring us but little real strength—are simply thrown away. Quite independently of the question of the numbers and constitution of our Armies, Military expenditure in other directions also admits of considerable reduction without sacrifice of efficiency. The short-service system for the European Army, local depôts of effective reserves scattered all over England, separate presidential commands, foreign recruitment—these are some of the many features of our Army system which involve a large waste of public money, and

which suggest so many ways in which economies might be carried out. But on all these points Mr. Westland was silent. We were coolly assured that no economies worth considering were at present possible, and that it is impossible for Government to look in that direction for the ways and means of meeting the Burmah deficit.

He then proceeded to consider the expediency of raising a special Burmah loan to meet the charges which are admittedly of a temporary and special character only. But here he takes the high tone of a strict financial purist, and from the vantage ground of distributive justice, tells us :—"I don't think that on the most selfish reckoning of the account between ourselves and future years, such a policy could be justified." The reason assigned is significant, *viz.*, "It is only too likely that *future years will have their own burdens to bear*. We are a little too apt to talk of our own special burden and we should not too easily reckon on future years retrieving a position now lost." The italics are ours, and we would ask the reader to ponder over the italicized portion. Has this any reference to possible eventualities on the N. E. Frontier? We will not undertake to hazard a reply. India and China are now conterminous Empires,—a fact which marks an important phase in the development of the Central Asian situation, scarcely less ominous than the contact with Russia on the North Western frontier. Government has far better means than the outside public of gauging the possible effects of this new extension of our borders upon the financial position of the country. The words above italicized in Mr. Westland's speech, read in this connection, seem to anticipate a contingency which demonstrates how our Frontiers are actually weakened by the efforts made to strengthen them. Be that however as it may, in measuring the apportionment of burdens as between ourselves and future years, Mr. Westland conveniently forgets a too much good deal. He did not remember that on the P. Works (Productive) account alone we have advanced to our posterity during the last 13 years no less than 18 millions out of our own current revenues on Irrigation and Railway works, the advantages of which will be reaped by them who come after us, while we pay their burdens. So again he did not refer to the fact that the "terminable Annuities" in purchase of Railways (East India, Bengal &c.) entail on our current revenues from year to year a charge *close on a million* for repayment of capital borrowed for the lines, besides interest-charge, the effect of which, when the annuities shall all fall in, will be that these lines will become *unencum-*

bered property—a source of wealth in the hands of future generations. These annuities are in our P. W. accounts as a charge on current revenue for which we do not get any return, and which we should be glad to see transferred to "Capital account." It is unjust that the present race of tax-payers should pay from year to year such enormous amounts in order that the tax-payers of 40 or 50 years hence may be free from the burden. Mr. Westland conveniently forgot all these facts and arguments, and announced his adhesion to the heroic principle of finance, *viz.*, of "raising the whole of the resources within the year," for the year's needs. India is not, like England, a fit and proper field for such heroic finance; we must be satisfied with humble expedients. And it is a misfortune that the Government of India is disposed to make light of these expedients and ride on its own high hobbies.

There was a third alternative open, besides economies and loans. The Government of India might well have put in its claim for contribution from the English Treasury on the precedent accepted in the case of the last Afgan war, but not a word fell from Mr. Westland's lips on this point. It was lightly assumed as beyond question that India should not only shed the blood of her sons for British expansion, but should also bear the charges of such expansion of British commerce.

After such discursive remarks and reasoning, Mr. Westland reached, by a process of elimination, the conclusion that extra taxation was the only financial expedient left at the disposal of Government for the purpose of meeting the deficit. He stated it in these words: "It is not without great reluctance and after serious consideration that the Government of India can proceed to measures of increase of taxation and so long as the position was such that it was possible it might be tided over without taxation, we refrained from a proposal which we would have had to justify more by our anticipation of what might happen to us, than by our knowledge of what had actually occurred."

Thus the Government felt compelled to meet the "demands of the year with the resources of the year." The Burmese war has been paid for out of the *current* revenues, the work of conquest and pacification which is nearing its completion will also have been paid for out of *current* taxation, and now the further work of "fitting out" the province with the appliances of civilization must also be paid for out of the taxes of the year.

The application of the principle of raising the "supplies within the year" to the finances of India has a history of its own which is in itself a very interesting study. Space does not permit us to go into the point here in any detail, but we may summarize the history of it thus :—

(1) During Lord Northbrook's Viceroyalty, it was decided that famine relief should be treated as a charge on current revenues.

(2) During Lord Lytton's Viceroyalty, it was next decided (*a*) that Famine Insurance should be also put down as an ordinary charge upon current revenues on the principle of providing in years of plenty for years of scarcity—for which purpose, special taxation was imposed in 1877-78 ; (*b*) that all expenditure on P. Works, ordinary or extraordinary, other than strictly *reproductive*, should be paid out of current taxation, and the distinction between ordinary and extraordinary works, adopted in 1869-70 with a view to lighten the pressure on the finances, was swept clean away ; and (*c*) that wars should be paid for out of current income.

(3) During the present administration, it has now been decided that, over and above the foregoing items of extra charge, the cost of the development of the newly conquered province of Upper Burmah should also be a charge on current Revenues.

Thus since 1875, Famine Insurance, unproductive Extraordinary Public Works, wars or conquest, military fortifications, and lastly, the development of conquered territories have all been charged to the annual revenues. This necessitates a very high margin of surplus taxation to meet such extraordinary demands, which properly are not a charge upon the resources of the year, seeing that they benefit posterity more than the present generation. This high margin of surplus taxation weakens the motives to economy, and renders an autocratic Government more absolute than ever in matters of finance, which constitute the main-spring of fall good and responsible Government. In a poor country like India, with its resources undeveloped, it is very desirable in the interests of good and cheap and responsible Government to fix the taxation of the year at the level required by the needs of the year, and to leave extraordinary charges, to be met out of borrowed

money. The general objection to the policy of raising loans for such purposes may be obviated by arranging for the repayment of such loans by short term terminable annuities.

To return to Mr. Westland's explanatory speech. After having established to his own satisfaction the necessity for extra taxation, he proceeded to explain in what direction Government has decided to increase the taxation of the country. Without stopping to consider any possible alternative schemes of taxation, he at once announced that it "was with the greatest reluctance that the Government finds itself obliged to have recourse to the Salt duty." Later on in the course of his brief reply to the remarks of the Hon'ble Raja Peary Mohan Mukerji, Mr. Westland took occasion to refer to the *re-imposition of the import duties* as an alternative plan of taxation. The *non-possumus* attitude of the Government on this question was thus justified :—"The observation which the last speaker has made tended rather to open out the question which I deliberately avoided taking up, namely,-that of the import duties generally. It seems to me that whatever might have been the objection to the removal of the import duties at this time—and I know that a number of people, especially those connected with the commerce of the country, thought that the removal of the import duties was not called for,—the fact of the import duties having gone renders it *practically* impossible for us to re-impose them." One may well ask, where is the "practical impossibility" of levying these duties again ? We had them before, and for a good many years too, and we let them go, only when we thought that we could safely do so. But now in the altered condition of our finances, we think, not even the Free Trade Resolution of the House of Commons passed in 1878, which fully recognized the fact that the abolition of the duties was to be carried out without prejudice to the finances of the country, can be pleaded as a bar in the way of our having them again. As it is, we very much regret the decision of the Government in the matter, and if Free Trade enthusiasm, or, rather the political anxiety to keep Manchester pleased, may have influenced the mind of Government in arriving at the conclusion, or if the belief may have prevailed that the imposition of import duties would check the expansion of an import trade without which export trade and railway receipts cannot expand, all we can say is, that Government has not taken the wisest course to carry out its object. The foreign trade of India and the spread of Manchester goods among the masses of our Indian population cannot ex-

pand by this new addition to their already heavy burdens, which must *pro tanto* reduce their capacity for consumption of, and with it the effective demand for, imported cloth. Mr. Westland did not even hint at other forms of possible taxation, such as the inclusion, of Zemindars and Talukdars and Planters generally among those liable to the Income tax, and a tax on marriage expenses, both of which resources were available to Government and which, while they would have equalized the burden of additional taxation on all classes, would have brought in at least 75 lakhs of Rupees to the Treasury.

Mr. Westland defended the decision of Government, arrived at as he tells us with the concurrence of Sir A. Colvin, in these words: —" The Government in the beginning of 1886 appealed to the Legislature on the ground that before resort was had to a tax which falls on the millions of the poor classes, it was bound first to obtain a *reasonable contribution* from the more wealthy. But *that having been done*, we are now obliged to proceed one step further, and adopt the measure from which we were then able to escape."

To test the strength and validity of this defence for the enhancement of the Salt Duties, we must go back to the debate in the Viceregal Council on the License Tax Amendment Bill in January 1886.

Then, as now, money was sorely wanted, and for a similar purpose; then, as now, extra taxation was the financial expedient adopted, and for similar reasons, and the position of the Government was not then a whit less difficult than at the present hour. There was a striking parallelism, thus far, between the situation of to-day and that of 1886. In that year, as advised by Sir A. Colvin, Government took a correct and commonsense view of its duty, and had the courage to act up to it. It did not shrink from the obligation of justice and duty to hold the balance, as far as it could, between the claims of the poorer many and of the richer few. It went to work in a straightforward manner. It rightly adopted as its sacred aim to diffuse and distribute burdens " with equal and impartial hand." Sir A. Colvin, when it was once decided to put on additional burdens, went into this question of the *distribution* of the existing taxation of the country, and the conclusion he arrived at after careful and anxious inquiry and examination was, that the higher and middle classes of the community did

not bear their proper share of public burdens. In the course of his speech in the Council (January 4th, 1886) he expressed his views on this matter thus :—

"There can, after all is said and done, be *no manner of doubt*, but that one great fact remains established, one great blot on our administration *not only still unremoved*, but *aggravated* by the course of events in recent years. It is this that, putting aside those who derive their income from land in the temporarily settled districts, the classes in this country who derive the *greatest* security and benefit from the British Government are those who contribute the *least* towards it." "Notoriously the mercantile and professional classes to whom this time of sunshine (i. e. British rule) has brought such an abundant harvest, are *precisely* those who contribute *least* towards the support of the Government in the light of whose power they bask." "We are constantly assured," continued Sir Auckland, "for example by journalists in this country, that the limits of taxable resources have been reached. *Whatever may be the case with the poorer or the lower middle class, the upper classes, in spite of our friends the journalists, enjoy the greatest immunity from taxation.* If this was true before the abolition of import duties and the reduction of the salt duties, it is still more unanswerably true now." "The immunity of the middle and upper classes from their due share of the public burdens is *a grievous blot on our Indian Administration, which urgently calls for removal*, and *which*, I believe, *with patience, prudence, and the exercise of a little fortitude, must and will be removed.* Efforts have indeed at various times been made to remedy this *scandal*, for *scandal it is of the greatest magnitude when the poorest are called upon to pay heavily for the support of the Government, and the wealthier classes are exempted*; but from one cause or another, the measure has never been carried out except for short and broken periods of time." So spoke Sir A. Colvin in 1886 on behalf of the Government of India. The question of the enhancement of the salt duties was pressed upon the Government at the time as an alternative plan of taxation to that proposed but as head of the Indian Government, Lord Dufferin referred to it and expressed himself thus :—"The only alternative open to us was to re-enhance the salt tax; but though this would have been an indirect tax, and consequently not so unpopular as the one we are about to impose, its operation would have chiefly affected the poorer masses of the community. Now, I am very far from wishing to say that in the

presence of any overwhelming necessity, such as that of *a great war, or a great famine*, it might not be necessary to raise the duties upon salt. It would be by such a measure alone that a great emergency of the kind could be met, and all minor considerations would have to be postponed to the imperative necessities of the hour, nay, even something short of either of these calamities might justify us in resorting to it, but when the situation merely requires a comparatively slight addition to our current revenue, it is obvious that *any honourable man who had to choose between taxing the most indigent classes who already contribute a considerable share of the public burdens, and taxing those classes, who, though in easier circumstances, scarcely contribute anything, it is to the latter alternative that he would resort.*"

In regard to the cry raised by Anglo-Indian journalists and merchants that their incomes are already heavily taxed by the unfavourable exchange, Sir A. Colvin, while expressing sympathy with these complaints, observed:—"All this I know, as I have said, only too well. But I know equally well that we are of necessity compelled to turn to the tax-payer for fresh resources, and that *if we do not look for them to the comparatively wealthy*, we must turn to the positively poor; *the choice lies between the classes who have or who can make for themselves a margin*, and *those who have no margin at all*. It is on the poor, overtaxed millions that an increase of the salt tax, or a re-imposition of import duties, such as the Madras Chamber of Commerce have lately advocated, would fall. We are all, I am aware, concerned in the measures necessary for the safety of the too poor, but I may remind this Council that it is certainly not the middle or the upper class of the nation, or the Anglo-Indian merchant or official, who are least concerned. In the necessities of the time, in the interests of all classes of the community—*in the present incidence of our Indian taxation*, in the legitimate and necessary result of the financial policy pursued by our predecessors—in the admissions of those who oppose an income-tax—will be found the justification of the measure which I now have the honour to ask your Lordship to allow me to introduce." H. E. the President followed up this line of defence in still stronger terms:—"We look abroad and we see that the peasant pays his salt tax which, though it has been reduced, still supplies us with a yearly net revenue £. 6,000,000; that the land-owner pays his land-tax and his cesses, that the tradesman and the merchant pays his license-tax, but that the lawyer or doctor, the members of

the other learned professions, the officers of Government, and other persons occupying an analogous station, and the gentleman at large, *pay little or nothing*. I look around this table and what do I see? There is not one of us who pays any really serious sum from his income into the Imperial Exchequer." "Now, surely, this cannot be right, and to such an anomaly it is no answer to say that direct taxation is repugnant to Oriental customs. *Justice is the inhabitant neither of the East nor the West*. She admits no geographical limits to her supremacy, her throne is on high, and sooner or later, in spite of prejudice or custom, she never fails to vindicate her title to the respect and veneration of mankind. *It is then in the name of Justice that we propose the imposition of this tax* and we feel assured that every fair and right-thinking man in this country, no matter how his private interests may be affected by our action, will recognize that *no other course was open to us*." (The italics throughout are ours.)

These extracts from the speeches of Lord Dufferin and Sir A. Colvin delivered in the course of the debate in the Legislative Council in 1886 on the Income-tax Bill are somewhat long, but are necessary to show, in what spirit, for what reasons, and under what circumstances, the taxing legislation of that year was proposed and carried. By it additional revenue was no doubt raised, but the new tax imposed was not imposed in a spirit of "apology." It was not a special contribution by the richer classes over and above their share. The "immunity" from taxation of the "upper and upper middle classes" was (to use the strong language of Sir A. Colvin) a "notorious" fact, a "scandal," a "deep blot on our Indian Administration," which it was only right and proper that Government should make an effort to remove at the earliest opportunity. The public burdens were most unfairly and unequally distributed; the richer few, who profited most by British administration, British justice, and British peace, paid least, while the poorer millions, who profited least, paid most. This was certainly an "injustice" and an "anomaly" which had to be redressed, and the new taxation of 1886 was planned, proposed and carried as a measure of partial "justice," as H. E. the Viceroy said, and to rectify to a small extent the unequal "incidence of Indian taxation," as Sir A. Colvin forcibly put it. The taxation of 1886 brought under contribution only those who were bound to bear their due share of public burdens, but who had till then, for one reason or another, been allowed to go comparatively scot-free. It was one step and one only in the direction of

correcting the inequalities in the existing distribution of public taxes, and redressing the balance as between class and class, or rather between the "classes" in the cities and the "masses" in the country, in respect of their contributions to the public Treasury. But nowhere in the debate in the Viceregal Council, or in the speeches of the Viceroy and the Finance Minister, was it suggested that the new contribution demanded from the "upper and upper-middle" classes was in any sense or degree, adequate and sufficient or proportionate to the burdens laid on the poorer classes. On the contrary, it was plain that the new measure of taxation (though it brought in the requisite funds into the treasury for the service of the year) did not go far enough towards an equitable re-adjustment of public taxation. It left *untouched* the incomes of the Bengal Zamindars and the Assam tea-planters. It was never claimed for the new Income-tax that it made the wealthier classes pay *as much as they ought to do* towards the expenses of Government. The unequal and anomalous distribution of public burdens, which Lord Dufferin condemned in the strongest terms in 1886, was thus only partially redressed and rectified, as the fact remained that even after the taxation of 1886, the "classes" paid less, and the "masses" more than their due share.

With these facts and declarations before us, we must ask the Honourable Mr. Westland's pardon if we respectfully decline to concur in his view that, by the legislation of 1886, a "reasonable contribution" was levied from the wealthier classes, and that Government had no alternative but to tax the masses in their turn. This view, besides being opposed to the declarations of Government, was inconsistent with facts.

"Equality of sacrifice," the very first condition of just and equitable finance, was far from being established by the Income Tax of 1886. Under these circumstances, when a new burden had to be imposed, it was obviously the duty of Government to seize the opportunity presented by the financial necessities of the hour, to carry on the work of rectifying the anomalous distribution of public taxes, and to take a further and forward step with firmness and courage, and to bring under as full contribution as the public requirements necessitate the classes who still did not pay their just quota towards the support of the administration, before turning to those who already paid more than they in common fairness should be called on to pay. But Mr. Westland affected to conveniently forget all these declarations of his predecessor and by a curious shuffling of the cards, he led the Vice-

roy to share with him his view. He based the vindication of the action of Government in raising the salt-duties by the Notification of 19th January last on the broad ground of equity in the words, already quoted: "The Government in the beginning of 1886 appealed to the Legislature on the ground that before resort was had to a tax which falls on the millions of the poorer classes, it was bound first to obtain a *reasonable contribution* from the more wealthy. But that having been done, we are now obliged to go one step further, and adopt the measure from which we then were able to escape."

The legislation of 1886 no doubt exacted a "contribution" from the wealthier classes, but no one before Mr. Westland, as far as we are aware, ever claimed for that legislation that the contribution so levied was either *adequate* or *reasonable*. The exemption of agricultural incomes in permanently settled provinces from assessment to the income-tax was a feature of that legislation by which one important class of the "more wealthy" was notoriously exempted from the "reasonable contribution." In the face of this fact, we cannot admit the force or reasonableness of Mr. Westland's plea for laying on the "millions of the poorer classes," instead of on the "more wealthy," the fresh burden that Government under his advice resolved to impose to meet the Burmah deficit. Taking our stand on the Government's own declarations in 1886, we feel justified in condemning the course it has seen fit to take in enhancing the salt-duties by its Notification of 19th January last.

But even granting for the sake of argument all that Mr. Westland claims for the legislation of 1886, and allowing that the tax then imposed had for its result a complete re-adjustment of national burdens on a most equitable basis as between the richer and the poorer classes of the community, we are still unable to bring ourselves to recognise the equity or morality of a policy which, when a fresh burden has to be imposed, and when the choice lies between those who "have or can make for themselves a margin" and those who "have no margin at all," enhances the burdens of the helpless, poorer millions to the exemption of the more wealthy.

Thus, then, after all that has been said and can be said, the plain fact remains in its bare nakedness—that by its new policy Government has simply undone its declarations, has taken a most serious step towards aggravating those inequalities and unjust anomalies in the distribution of public burdens which, it so

strongly condemned, only two years ago, and which it was its "sacred duty" in the Finance Department to seek to rectify.

This fact alone appears to us to be a just and sufficient ground for addressing an earnest appeal to the Government of Lord Dufferin to reconsider their decision in the matter of this salt taxation; and we base the appeal on the plea of justice, which, as his Lordship so eloquently declared in 1886, "is an inhabitant neither of the East nor of the West," and on those noble maxims of financial equity on which Mr. Gladstone has always insisted in all his utterances on the question, namely, that public taxation should be equally and impartially distributed, and should be so devised as not to press too heavily on the springs of industry, or on the scanty resources of the poorer classes.

But we have still stronger grounds to urge for the appeal, which we so earnestly address to the Government of India, to re-consider its action in the matter of this salt Notification. The salt tax, as it exists and operates in the country, involves *privation* and *positive suffering* to millions of our poor population, and suggests a question of extreme and terrible seriousness which transcends all considerations of financial ethics or fiscal convenience. The tax is admittedly "a tax on a prime necessary of life," and falls with crushing pressure on the very classes on whom no such burden should ever fall and who are least able to bear it. In spite of all that was said by the official and non-official members of the Supreme Legislative Council at the Council meeting as to its falling with no "appreciable pressure" or severity on the poorer classes, we declare our strongest conviction that the salt tax, in the form in which it exists with us and in the way in which it works, is the *worst* and the most *barbarous* impost that has been inflicted upon this country by the heartless devices of financial ingenuity, and is *a darker and deeper blot* than any on our present system of taxation. We cannot reconcile ourselves,—so strong is our conviction on this point—from any considerations of financial necessity or fiscal convenience, to its being maintained as a permanent feature of the fiscal system of the country, and we shall never be satisfied until it is completely removed, banished and consigned to the limbo where all miserable, melancholy financial expedients must go one of these days. It "encroaches" on what the late John Stuart Mill declared "should be left untaxed, *the incomes barely sufficient for the healthful existence*," and has the effect of diminishing the consumption,

amongst the poorer classes, of an article which is, as a necessary of life, in importance, next only to air and water. The policy, therefore, which led Government to tax heavily this important article of healthy subsistence, violates the first principles not only of Political Economy, which is after all of secondary importance, but violates *justice and humanity*, and to the extent to which the consumption is restricted, brings down upon its authors, whoever they may be, a terrible load of responsibility for the *suffering* which is its result to thousands and thousands of the poor. It is surely no reply to the violation of principle to say that the financial necessities of the hour cannot be more conveniently met by any other means. It must prove cold comfort to the suffering millions to be told that "it is *with the greatest reluctance*" that Government has had recourse to such a cruel and inhuman measure of taxation.

It must be remembered further, that the administration of the salt revenue, based in fact, though not in name, on the principles which regulate the development of Abkari Revenue, makes the article a strict Government monopoly. As such monopoly, the production of salt is restricted in a manner to keep up the supply scanty enough to just meet the demand. Salt was scarce enough and dear enough in all conscience before; but who can doubt, that this enhancement of the salt duties by 25 per cent will make it dearer and scarcer, and will restrict consumption?

But, here also, Mr. Westland is not afraid of joining issue with his critics, and, in anticipation of such criticism, hurls in their face another of his startling and reckless paradoxes framed to suit the convenience and purposes of the moment.

In giving a forecast of the fiscal operation of this new taxing measure, he begins by quoting statistics for the 16 years ending 1886-87, showing the consumption of salt and the duty paid on it, and thus concludes his remarks :—"It may be noted with reference to these figures that, reckoning upon the averages above shown, we may divide the whole into two periods. During the earlier of these which preceded the reduction of duties in 1882, the rate of increase of consumption averaged annually 2·2 per cent, while since the reduction of duty, the annual increase has averaged to 2·7 per cent. The figures show also that the extra duty of eight annas may be expected to bring in an extra revenue of Rs. 1,60,00,000 and considering the improvement in all means of communication and the generally

improved condition of the people, *we may reasonably hope that the burden of a duty of Rs. 2-8 will not now have any effect in restricting the rate at which the consumption is increasing.*"

We may hope so too, with Mr. Westland. But facts are stronger than fiction, even the fiction god-fathered by an Indian Finance Minister, and no self-complaisant optimism can minimize their force or upset their logic. The hope expressed by Mr. Westland, that the present enhancement of the salt duty from Rs. 2 to Rs. 2-8 will have no restrictive effect on the rate of consumption, is a delusive hope, and the statistical forecast of the operation of the new measure, on which it is made to rest, is misleading in the extreme. Mr. Westland's view appears to be that, taking the two periods *before* and *after* the late reduction of duty carried out in 1882 by Lord Ripon's Government, the annual rates of increase of consumption, as they average over a number of years, do not show any large or important differences on either side. During the earlier of these two periods during which the duty ranged from Rs. 3 to Rs. 2-8, the rate of annual increase in the consumption of salt averaged annually 2·2 per cent, while since the measure of 1882-83 it has not increased in any perceptible proportion by reason of the relief given by the reduction of the duty. The increase has been only ·5 per cent or 5 per thousand on the averaged rate of the earlier period,—an increase more than sufficiently accounted for by increased facilities of communication and by the growing improvement in the condition of the people. It is, therefore, evident that Major Baring's salt-duty reduction, while it has entailed a considerable loss of revenue on the treasury, has failed to give any commensurate relief to the salt-consuming population. On the whole, the consumption of the country has a normal level and a normal rate of increase, which are but little affected by salt taxation, and if this has been the experience of the last 18 years, *ceteris paribus* the present enhancement of the salt duties can have no effect one way or another on that consumption, and will bring a secure additional revenue of Rs.1,60,00,000 into the treasury.

Such is, we understand it, Mr. Westland's argument. By way of supplementing it, we may quote the following from a "Statement exhibiting the Moral and Material Progress and Condition of India during the Year 1885-86" (p 389):—"Eighteen years previously in 1866-69, the first year for which the returns are given in their present form, the quantity of salt excised amounted to 22,733,359 maunds. The quantity which

entered into consumption, therefore, increased in the period by 37·3 per cent being at an average rate of a little over 2 per cent yearly. The population may be taken as increasing at the rate of about one per cent yearly, so that the consumption of salt increases but slowly at the rate of about one per cent per year." Now as a set-off against these authorities, we shall appeal to the authority of Sir A. Colvin, who in his speech on the Income Tax Bill of 1886 observed:—"We might have replaced, in part or in whole, the reduction of the duty on salt which was made by the preceding Government; but to have done this would, in the first place, have been to increase the burdens of the poorest classes of the community. *It would have checked the consumption of salt which has risen from 24,489,000 maunds in the period from 1st March 1881 to January 31st 1882 to 27,792,000 maunds from 1st March 1884 to 31st January 1885.*" Authority can thus be met by counter authority. The question, however, must be settled otherwise than by a mere appeal to the testimony of two Finance Ministers. We must appeal to past experience and the recorded declarations of Government. As far as we are aware, no one has, before Mr. Westland, even contested the tendency of such enhancement to restrict consumption. For years together both the Bombay and Madras Governments strenuously resisted the proposals of the Government of India for the enhancement of these duties in their provinces on this very ground. On this very ground again, the equalization of the salt duties was justified and carried out in 1878. More-over it was on this very ground that Major Baring rested the defence of the reduction carried out in Lord Ripon's time. We have space here only for a few quotations. To begin, in 1868 March 14, Mr. Massey, in his financial statement, said, "we have been assured by the Governments of Madras and Bombay that the tendency of increased salt duties would be to diminish consumption." Sir T. Pyeroft, speaking for Madras, said in his evidence before the Parliamentary Finance Committee, "with the view of equalizing the duty in the two Presidencies of Bengal and Madras, the Government of India made several proposals to increase the duty on Madras salt, but these pro-

posals have always met with strong opposition from the Government of Madras " (Vide the Hon'ble R. B. Ranade's Revenue Manual P. 164). Mr. Pedder, speaking as a witness for Bombay before the same Parliamentary Committee, stated that " the salt duty in Bombay might be raised to Rs. 2, but that if raised beyond that limit, it would check consumption." Sir J. Strachey, speaking as the Finance Minister of Lord Lytton's Government in 1877, observed in his financial statement, " a comparison between the average consumption of salt per head in different parts of India proves incontestibly that where salt is *cheap* and abundant, the consumption is much *larger* than where it is *dear* and when the supply is restricted," and " there can be no doubt that, in the interests of revenue, the best system would be that under which we should levy throughout India a low rate of duty on unrestricted consumption." Major Baring made a still more emphatic declaration in 1882-83, as to the effects of enhanced salt duties and in his Financial Statement for 1883-84, after describing in detail the results of his salt reforms of the year previous, he observed there could be no doubt a very considerable portion of this increase (*i. e.* "no less than 160,300 maunds") was " *due to the reduction in the duty.*" Sir A. Colvin in his Financial Statement for 1884-85, after noting a satisfactory increase of revenue owing to increased consumption consequent on the reduction of duty, remarked that " it may be fairly assumed in presence of so constant and large an increase that the consumption of salt will yield a progressively increasing revenue for some time to come ", and he held out the hope that " should a *further reduction* of duty be hereafter made, it may be met as promptly and satisfactorily by a corresponding *expansion* in the *demand.*" In his last year's Financial Statement Sir A. Colvin wrote thus :—" The check in the consumption of salt which was pointed out in the Financial Statement last year has proved to be, as was at the time surmised, temporary. The total increase in the period of 4 years from the year 1882, when the salt duty was lowered, has been for the 11 months from 1st March to 31st January from 26,101,000 in 1882-83 to 28,772,000 maunds in 1886-87, that is, an increase of 2,671,000 maunds."

It is needless to multiply quotations, but it may be observed that the whole fiscal policy in connection with the salt duties in its later developments has proceeded on the assumption that a reduction in the rates tends invariably to bring about a large and steadily progressive expansion in the consumption, and this assumption of successive financiers has been more than verified by the actual results achieved during the last 20 years. Mr. Westland's anticipation, therefore, that enhancement of duty by 25 p. c. will not interfere with the normal progressive increase of consumption, which in his opinion goes on independently of rates of duty imposed, not only runs counter to the opinions of all authorities on the subject, but is inconsistent also with the irresistible testimony of actual facts.

But we are prepared to go further and meet Mr. Westland on his own chosen ground of figured results. He is probably no respector of authority, and would only accept the guidance of hard reason and logic as shown by dry progress. In his speech he gives us figures for 16 years only from 1871-72, but we have available statistics for 19 years beginning with 1868-69. We choose that year as our point of departure, as it furnishes a convenient stand-point from which to judge of the results of the fiscal policy of reducing the salt duties since it received its first development at the hands of Lord Mayo's Government. Before we proceed to give these figures and the conclusions they suggest to our mind, we have two observations to make on the statistical basis of Mr. Westland's arguments. (1) In the first place, this basis is supplied by average rates of annual increase struck on the totals of consumption extending over a period of years. The latter totals of consumption, however, represent only the *net* results reached year after year, being affected by the varied action of a variety of causes. Some of these causes counteract the operation of others, and when any two of them neutralize each other, the sum total of the action is *nil* and is lost in the total result. When we have to trace the effects of any one of these causes, it is absolutely unsafe and illogical to base our argument on the net resultant of all the numerous causes put together and as summed up in the final figured

results. *Rate of duty, cost of transport, extent of supply* in relation to demand, *increase of population, negotiations with Native States*—these and several minor causes enter into this problem of salt consumption, and their operation is not always uniform or in mutual accord. For instance, the effects of enhanced duties may be counteracted by the increased facilities of communication (Vide Lord Lytton's speech on the salt income of 1878-79); so also the operation of a reduction of duties may be entirely nullified by a failure or deficiency of supply, as in North India in 1884-85, or in Bengal in the last 5 years. The rate of salt duty has no doubt a very important effect on the total consumption, but it is not the *sole* cause which determines the final result, and its operation has to be judged in relation to other causes simultaneously at work. (2) Secondly, Mr. Westland's argument seems to make no allowance for differences in the food and regimen of the people of the different provinces of the Empire, which differences are so enormous as to vitiate the reasoning founded on the total for the country as a whole, independently of local variations.

With these remarks we give below a table showing the state of salt consumption during the last 19 years in Bengal, Northern India, Madras and Bombay, the figures being taken from "Statistical Tables for British India, 1883" for the first 14 years and from Sir A. Colvin's financial statement of last year for the remaining 5, and we also supplement the table by brief explanatory remarks on each of these Provinces. Sindh and Burmah are left out, as we have not sufficient information with regard to those parts of the Empire.

TABLE showing the consumption of Salt in 19 years from 1868-69 to 1886-87 in Bengal, Northern India, Madras and Bombay in thousands of maunds.

Years.	Bengal (69 million population.)			Northern India* (population 97 million.)			Madras (31 million.)			Bombay (21 million excluding Sind.)		
	Rate of Duty.	Consumption in thousands of maunds.	Increase + Decrease −	Rate of Duty.	Consumption in thousands of maunds.	Increase + Decrease −	Rate of Duty.	Consumption in thousands of maunds.	Increase + Decrease −	Rate of Duty.	Consumption in thousands of maunds.	Increase + Decrease −
	s. d.			s. d.			s. d.			s. d.		
1868-69	6-6	7,289	...	6-0	5,036	...	3-4½	6,693	...	3-0	3,713	...
1869-70	...	7,735	+ 446	...	5,319	+ 283	...	6,373	− 320	3-7½	3,218	− 495
1870-71	...	8,033	+ 298	...	5,100	− 219	4-0	6,271	− 102	...	3,625	+ 407
1871-72	...	7,853	− 180	...	4,257	− 849	...	6,502	+ 231	...	3,501	− 124
1872-73	...	8,132	+ 279	...	4,511	+ 260	...	6,390	− 112	...	3,681	+ 180
1873-74	...	7,912	− 220	...	4,489	− 22	...	6,436	+ 46	...	3,927	+ 246
1874-75	...	8,198	+ 286	...	4,431	− 58	4-4½	6,539	+ 103	...	3,870	− 57
1875-76	...	7,914	− 284	...	4,449	+ 18	...	6,554	+ 15	...	4,110	+ 241
1876-77	...	8,112	+ 198	...	4,582	+ 133	...	6,402	− 152	...	4,268	+ 157
1877-78	6-0 to 5-8	8,512	+ 400	...	4,563	+ 81	...	6,321	− 81	...	4,283	+ 15
1878-79	5-8	8,461	− 51	5-0	5,448	+ 885	5-0	5,975	− 346	5-0	4,559	+ 276
1879-80	...	9,057	+ 596	...	6,307	+ 859	...	6,215	+ 240	...	4,764	+ 205
1880-81	...	8,697	− 360	...	5,999	− 308	...	6,362	+ 147	...	4,674	− 90
1881-82	...	9,221	+ 524	...	6,836	+ 836	...	6,207	− 155	...	4,730	+ 56

			† as compared with figures for 11 months only.			†			†			†
For 11 months only from March 1st to January 31st.												
1882-83	4-0	8,723	+ 516	4-0	6,112	− 66	4-0	6,405	+ 801	4-0	4,695	+ 334
1883-84	...	8,850	+ 127	...	6,459	+ 347	...	6,800	+ 395	...	4,789	+ 94
1884-85	...	9,398	+ 548	...	6,581	+ 122	...	6,789	− 11	...	4,810	+ 21
1885-86	...	9,382	− 16	...	4,996	− 1,585	...	6,965	+ 176	...	6,282	+ 1,472
1886-87	...	9,374	− 8	...	6,213	+ 1,217	...	7,097	+ 132	...	5,878	− 404

*Northern India—

	Population.	
Punjab	22 millions.	}
Central Provinces	11 „	
N. W. P. & Oude	45 „	} = pop. = 97 million.
Rajputana... ...	10 „	
Central India ...	9 „	}

† These increases and decreases for 1882-83 are compared with the figures for 11 months of the previous year 1881-82.

EXPLANATORY REMARKS ON THE FOREGOING TABLE.

Bengal:—The first three years (1868-69 to 1870-71) show an increase of 744,000 maunds. The cause is unknown.

The next six years (1871-72 to 1876-77) exhibit a net increase of 79,000 maunds which, looking to the period and to the vast population of the Province, is simply nominal. Assuming the annual increase of population on a total of, say, 65 millions at one per cent to be about 650,000, and taking 10 lbs. of salt as average consumption per head, we should have expected on this account alone nearly 80,000 maunds per year which in six years would have reached a total of 480,000 maunds. The rate of duty remained the same, namely 6s. 6d., and the supply, as far as ascertainable, did not fail, as Madras salt was available in any quantity at the same price as the imported salt. The stationary consumption during this period can be accounted for only on one supposition, namely, that the rate of duty in force was too high to allow the people to keep up their consumption even at the level of the first year of the period, considering increase of numbers. Mr. Westland's normal rate of progressive increase does not appear here.

The period of the following 5 years begins well. In 1877, the duty was reduced from Rs. 3-4 to Rs. 3 in the Lower Provinces and in the Upper from Rs. 3 to Rs. 2-12. Shortly after, a further reduction was made of two annas in Lower and of 4 annas in the Upper Provinces. The effect of reduction of duties was immediately apparent in the increased consumption of the year which rose from 81,72,000 to 85,72,000, an increase of 400,000 maunds which nearly brought up the consumption to the level of increase of population. In the next 4 years of the period, the increase was from 85,72,000 to 93,21,000, *i. e.*, 749,000 maunds. Allowing for increase of population at 86,000 maunds per year and deducting on that account 344,000 maunds, we have a net increase of 405,000 which represents an expansion of consumption, consequent on reduction of duty levied on salt.

The next period of 5 years, for which figures are for 11 months only, has a net increase of 651,000 maunds only; the period opens with a further reduction of duty from 5s. 8d. to 4s which afforded greater relief than in the previous period, and yet, the increase, allowing for increased population, is about 207,000—a meagre progress of consumption, much too below

the level of the previous years. The following are the figures on this point taken from the Administration of the Lower Provinces of Bengal for 1881-82 to 1885-86.

Year.	Salt imported.	Locally manufactured.	Consumption.
1881-82	90,04,000	4,76,000	91,61,000
1882-83	84,46,000	2,88,000	95,46,000
1883-84	64,63,000	6,38,000	94,64,000
1884-85	96,24,000	4,26,000	1,04,09,000
1885-86	89,54,000	4,47,000	99,12,000

"It will be seen from the above," says the Report, "that the immediate result of the reduction of duty was a decrease both in importation and in local manufacture, while the quantity passed into consumption showed a small increase of 4 per cent." In the following year (1883-84) there was a rise in imports, as well as in local manufacture, but the rise was due to "slow trade and low freights" in the one case, and to favourable weather in the other. An attempt was made in 1883-84 to establish a trade in Sardinian salt from the Mediterranean ports, but it was abandoned in the following year (page 88). Mr. O'Conor in his review of the trade of India for 1882-83 remarks thus on this point: "The reduction of duty ..... did not have the effect of giving any impetus to the import trade during the year, for the quantity imported, far from increasing, decreased by more than 5½ per cent. Salt like coal is an article the imports of which depend to a great extent on the condition of the freight market, ships only taking salt in default of other cargo offering and as being only a degree better than coming out in ballast." (page 39). Again in his review of trade for 1886-87 Mr. O'Conor thus further explains the point—"When there is an active export trade from India as there was last year, there is always a large import of coal and salt, these articles being brought in place of sand, stone, or water ballast by ships coming to India for cargo than to Europe. The only noticeable feature of the year was an import of 2,325 tons from Aden where an Italian company has commenced extensive salt works under agreement with Government."

Local manufacture has nearly died out, being now only 4 p. c. of what is consumed in the Provinces,—a result which is due to the "vigorous" working of the Government salt

monopoly. Madras salt, which formerly under a lighter duty supplied the wants of the Province a good deal, is not allowed a differential drawback of duty on entering its markets, for which reason this source of supply to Bengal is now almost closed. The Province thus has to depend almost solely on *foreign supplies*, but these foreign supplies have not shown any tendency, salt coming out as ballast and not as an article of commerce, to adjust themselves to the demand. The imports show variations, independent of the requirements of the markets, as marginally noted. Thus, the supply goes its own way,

Years.	Tons imported.
1875-76	365,000
1876-77	298,776
1877-78	254,231
1878-79	274,180
1879-80	352,238
1880-81	373,316
1881-82	377,224
1882-83	338,065
1883-84	383,090
1884-85	412,809
1885-86	363,088
1886-87	417,442

and the *demand for it has to adjust itself to that supply*; or in other words, the people are not allowed to grow this salt; the other Provinces can not supply them with the necessary quantity on account of "equalisation of duties;" the foreign supplies depend on bad trade and low freight; so that even if they can afford to buy more salt and want it, they *must go without it* for the plain reason that no supply comes from any source, land or sea.

The meagre increase, therefore, during the period of 5 years from 1882-83 to 1886-87, we attribute to *short supplies* being incommensurate with the growing demand, for which Government alone is answerable. One day, Aden may develop into a flourishing depot of supply under the fostering care of Government, but as it is, the 69 millions of Bengal have to go without sufficient salt though they are able and willing to pay for it even at the present rate of duty—a fact which shows how fiscal relief in the shape of reduction of duty may be neutralised by perverse and blind severity of fiscal administration, and which also marks the morality of the whole procedure. Local industry stamped out, Cheshire supplies inadequate to the growing demand, Bengal has now to look up to Aden, and to Heaven, for an *adequate supply of the prime necessary of Life* ! ! ! Can blind, unfeeling, autocratic perversity go further?

Northern India:—The first three years of this period show an almost stationary state of consumption, the increase in 1869-70 being balanced by a corresponding decrease in the following year. In 1871-72, we have to record a violent and

painful change. The rate of duty, continuing unchanged (6s), there was a fall in consumption from 5,100,000 to 4,251,000, a decrease of 849,000 maunds in one year. It was due to a *rise in price* and *a diminished supply* consequent on the establishment of the British system of salt manufacture and administration at Sambhar Lake, the lease of works at which had been obtained from the the states of Jaypoor and Jodhapoor in the year previous, 1870. In 1872-73, there was a partial recovery, the consumption rising to 4,511,000 maunds; and then from that year to 1877-78 for a period of full 6 years, there was absolutely no advance worth noting. The state of things was even worse here than during the corresponding period in Bengal, the consumption continued perfectly stationary with even occasional decreases. The level established in 1872-73 was the level determined by the new condition of things established, which was below that of 1869-70 by full 808,000 maunds; and even this low level during the next 5 years showed absolutely no sign of a rise, increase of population, improvement in means of communication &c., all notwithstanding; and the causes were—(1) high prices, and (2) short supplies. There was no change in the rate of duty. The rise in price was due to the introduction of a new system of manufacture under State supervision—the cost of manufacture alone having increased over two-fold. On the point of short supplies we need only refer to the main feature of the British salt administration. As essential to the maintenance of a monopoly, a vigorous control of local manufacture had to be secured involving the suppression of minor salt "works," isolated and out of the way and difficult to supervise, and the concentration, for effective control, of working areas. The variation of weather as influencing production not being considered and provided for, and Nature thus defied, the supply of salt from Government salt works often failed and was never equal to the demand during the period, the importation from outside owing to difficulties of transport not making up for the deficiency, the people had to suffer the hardships of what Sir J. Strachey called in 1877 a "salt famine." His remarks may be quoted here,—"The great object at which the Government ought to aim is to give to the people throughout India the means of obtaining, with the least possible inconvenience and at the cheapest rate consistent with financial necessities, a supply of salt, the quantity of which shall be limited only by the capacity of the people for consumption. Although much has been done during the last 6 or 7 years towards this object, we are still far from

its attainment..... I have a very strong belief that *more than a hundred millions of people fail to obtain a full supply of salt.* Therefore it was that I have some times asserted that there was a *salt famine* in Northern India, meaning thereby not only that *salt was dear, but that sufficient salt could not be provided.*" (Financial Statement for 1877-78.) Thus then, during this period of 6 years from 1872-73 to 1877-78, *high duties and low supplies* combined to keep down, below the level of 1869-70 by full 808,000 maunds, the consumption of a hundred millions of people. The high rate of duty accounts for the high prices ruling during the period, and the Government monopoly for the shortness of supplies.

We next come to 1878-79 when the duty was lowered to 5*s*. The effect of the relief was apparent that very year, the consumption rising from 4,563,000 to 5,448,000, *i. e.* by 885,000 and thus re-attaining the level of 1869-70, the year previous to the leasing over of the Sambhar Lake works by the British Government. The relief was general and influenced consumption during the next 4 years, so that from 1878-79 to 1881-82, the increase was from 4,563,000 to 6,836,000 maunds, or 2,273,000, a rise of full 50 p. c. in five years or 10 p. c. per annum in consequence of (1) the *lowering of the duty*, resulting in reduced prices, and (2) *increased facilities of communication*, resulting in the cheapening of transport and in the further reduction of prices. The improvement in consumption may be divided half and half between the two causes thus co-working to the same end, and demonstrates, in opposition to Mr. Westland's theory of a normal progressive increase, the truth of a plain law of Political Economy that the cheaper the article, the greater is its consumption.

Lastly, we reach the latest period of 5 years from 1882-83 to 1886-87, the figures available for comparison being for 11 months only. We begin with a further step taken in 1882-83 towards the cheapening of salt by reduction of the duty from 5*s*. to 4*s*. In the first year, the figures show a decrease of 1·07 p. c. which is only apparent and is thus explained by Major Baring in his Financial Statement for 1883-84.—"This is mainly Sambhar Lake salt which supplies Northern India. The territorial area here-to-fore supplied from this source has been much restricted..... Bombay salt from the West and Cheshire salt from the East have both pushed their way into the territory here-to-fore supplied many from the Sambhar Lake. Under these circumstances the fact that there has been only a

decrease of 1·07 p. c. on the salt sold by the Indian Custom Department shows that the people within the more limited area, now supplied by that Department, have increased their consumption." The next near 1883-84 shows a rise in consumption of 347,000 over the previous year, which, in view of the above explanation of Major Baring, is a most satisfactory rise of over 5 p. c. mainly due to the reduction of the duty. The year following exhibits a small increase of 123,000 maunds, *i. e.* 2 p. c., and the year next to that brings us face to face with a frightful fall of 15,85,000 or 25 p. c. "The falling off in 1885-86 in Northern India," we read in the Material and Moral Condition of India Report 1885-86, page 39, "was owing to unfavourable weather at the Sambhar Lake during the manufacturing season." Sir A. Colvin explained it thus :—"This decrease is due to the same cause, *viz.*, the raising of the price of salt at Sambhar Lake from 2½ annas to 8 annas in order to prevent exhaustion of the stock in hand. The stock in hand was very low owing to an unfavourable season for manufacture in 1884-85." There were large imports from Bombay, but they too were inadequate ; and we read in the Bombay Administration Report for 1886-87 at page 162 :—"The abnormal sales of Baragra salt, consequent on the partial failure of the Sambhar Lake supply in Northern India, had so far depleted stocks that at the beginning of the year the total balance on hand did not amount to more than some 17 lakhs of maunds," and further "the temporary increased demand, however, for Baragra salt for the N. W. Provinces, Punjab and Oude continued more or less throughout the year, and the stocks at Kharaghoda would have been completely exhausted before the monsoon was over, *had not issues for a time been confined to the Presidency proper.*" Cheshire salt imports were unfortunately lower than usual in that year by 363,088 tons. Thus, then, in spite of the reduction of the duty carried out in 1882-83, here was an awful fall of full 25 p. c., almost marking the year as a year of *salt famine*, owing to no other cause than a failure of supply. Bombay had no adequate supplies to send, Cheshire imports were worse than usual, Sambhar Lake lamentably failed, the result being that 100 millions of people had to submit to the privation and suffering consequent on an insufficient supply of a prime necessary of life, for which the Government system of monopoly, concentration of manufacture, equalisation of duties &c., was solely responsible. The last year of the period under review exhibits, however, a most gratifying recovery, the rise being fully upto the level of 1883.

Madras :—The whole period, here, from 1868-69 to 1881-82 is marked by general increases of duty carried out in the teeth of the strongest remonstrances of the Local Government. The duty was at the start 3s. 4½d., was increased in 1870-71 to 4s., in 1874-75 to 4s. 4½d, and to 5s. in 1877-78, the very year of famine, all increases being effected in the sacred name of the "equalisation of salt duties" reform. A glance at the figures suffices to show how the consumption has generally fallen with occasional variations from 6,693,000 to 6,207,000 during this period of dreary 14 years. The fall-off amounted to 486,000 maunds or about 34,000 a year to which may be added a further fall of 40,000 maunds for annual increase of population, the total rising to 74,000 a year or 1,036,000 maunds in these 14 years! In a province with great natural advantages for the manufacture of the article such a fall-off in the people's consumption, continued over a long series of 14 years, is something appalling. The supply does not fail and need not fail. The people have plenty of it at their door and have no fear of a salt-famine ever ensuing. The full effect of enhanced duties, therefore, is here apparent. There is no failure of supply, but the people cannot buy as much salt as they want because of the high duty; and Mr. Westland's ingenuity must be sorely exercised to explain away so awkward a fact. It is impossible for us to realize the terrible significance of such a long period of 14 years, rolling by with a positive reduction in the people's consumption of such a prime necessary of life to the enormous amount of 1,036,000 maunds. We can only say the sufferings of "the silent struggling masses" must have been severe during the period, and for these sufferings Government bears the sole and direct responsibility, having chosen to follow a wrong, "criminal" policy of levying "high duties on a restricted consumption."

The year 1882-83 dawned upon the Presidency as a happy new year. The high duties which had been the cause of so much untold, unrecorded suffering amongst the poorer classes, were swept away under the Ripon regime, and the effect was electric. In the very first year, the consumption rose at a bound by 801,000 maunds *i. e.* 13 p. c. over that of the previous year, and in the next 4 years the increase was fairly maintained. The net increase in the 5 years was 14,93,000 maunds or 25 p. c. nearly—a phenomenon analogous to that which occurred in the period of 5 years from 1878-79 to 1881-82 in Northern India when a similar relief was given there.

Here we see, how the reductions of duty operate in respect of artificially restricted consumption of an important article of life. As long as the article is dearer than the people can afford to pay for, the consumption must go down, and under freer conditions it rapidly advances.

Here then also, Mr. Westland's theory of a normal progressive increase finds no support whatever.

Bombay :—The figures for the first 14 years no doubt lend some support to Mr. Westland's theory of a progressive normal increase of consumption ; for in spite of gradual enhancement of duties we kept on, during the whole period, eating more and more salt. But here, Sir John Strachey's explanation of this phenomenon seems to us to be most in agreement with facts and experience. "The fact appears to be," he says (Vide his Finance and P. W. of India page 233), "that when in consequence of the abundance of supply and lowness of price, the people of a country have become accustomed to consume a considerable quantity of salt per head, a small increase in the cost of salt will have a very slight effect in altering their habits and diminishing the quantity which they consume, and will interfere little with the growth of consumption following increased population and extended cheap Railway transport." Thus we are able, unlike our unfortunate brethren of Madras, to tide over the period of a restrictive taxation with the *vis inertiæ* of *habit*.

A brighter day of relief came with the Ripon regime. The duty was lowered to 4s., as in the other provinces of India, and our consumption with fluctuations has increased in the 5 years from 4,625,000 to 5,878,000 *i. e.* 1,183,000 or about 23 p. c., Mr. Westland's theory of a normal rate of 2 p. c. notwithstanding.

Here, we close this brief review of the results of the salt policy during the last 19 years. We have gone into the whole question at such detailed length with a view to supply an unanswerable refutation, on the silent, incontestable testimony of facts and figures, to Mr. Westland's theory of a "normal level" of consumption, and a "normal rate of progressive increase" in it at, say, 2·2 p. c. per annum, uninfluenced by variations in the rates of duty levied. This theory has already passed into a "pious" dogma of the Salt Administration, for it is on this theory that Mr. Westland founds his forecast of the operation of the present measure of the salt duty enhancement. The figures we have put together above in the table, however, disclose the

existence of no such "normal level of consumption" or of "normal rate of increase"—both of which seem to have been evolved by the Salt Department out of its inner consciousness alone. These figures only go to establish the simple truth of a simple economic principle, which Mr. Westland, in his eagerness to defend a bad piece of taxation, seeks in vain to overthrow, and which, in the words of Sir J. Strachey, is no other than that "*where salt is cheap and abundant, the consumption is much larger than where it is dear and where the supply is restricted.*" They prove, in opposition to Mr. Westland's theory of "normal consumption" and its increase, independent of duties raised, that changes in the rates of duty on the side of reduction or enhancement unless when their action is counteracted by other causes such as variations in supply or in cost of transport &c., are invariably followed by changes in consumption, increases following reductions of duty, and decreases following enhancement of duty.

Mr. Westland's anticipation, therefore, that the present enhancement of the salt duties will have no restrictive effect on consumption, appears to us, in the absence of counteracting causes, to be opposed to the irrefragable evidence of recorded facts and figures—recorded in the very Department of Finance and Commerce over which he now presides. No one would more rejoice than ourselves to see it realized; but the results of past experience, as summarised in our foregoing review, decisively point to little short of moral certainty that this enhancement of the salt duty will check consumption and result before long in a considerable diminution of it, and that Sir A. Colvin's prediction as to the probable effect of such a measure made in 1886 (vide his speech on the Income Tax Bill) will be fufilled. Circumstances, no doubt, may be conceived, in which the results of such a measure would not be so bad, and its general operation not so disastrous. If, for instance, unrestricted production, yielding an unlimited supply and at the lowest cost, rapid improvement of communications, connecting sources of supply with areas of consumption, cheapening the price of the commodity to the consumer, steady, advancing improvement in the condition of the poorer classes, so as to leave them a larger and larger margin of income for their necessary expenditure,—if such and other conditions existed with us, we can understand how the action of such an enhancement of duty on a necessary of life would not be much felt, and, even if felt, would result in no positive suffering. But none of these conditions at present exist; the production is a strict Government monopoly, and our

supply is necessarily restricted, cost of manufacture is always high varying from 5 to 8 annas per maund of salt, while under private management it does not exceed 3 annas, railway and road construction with our poor resources must be slow, but above all, the condition of the masses in the country, in spite of official doctrines to the contrary, is going from bad to worse owing to a variety of causes, not the least of which is the heavy taxation of the State maintained for meeting the unproductive expenditure at so high a level as 4 or 5 millions a year which greatly interferes with the growth of the wage fund and the rise of wages. Under these circumstances, we see no counteracting cause to minimise the effect of this enhancement of salt duties, and we greatly fear that a diminution of consumption will follow its enforcement as a necessary consequence. It is this moral certainty of such a result following that supplies us with our second ground for the appeal we submit to Government to revise its action in the matter.

Financially speaking, we have endeavoured to show, that the salt duty enhancement means an inequitable addition to the burdens of the poorer classes while the richer escape, and tends to aggravate the inequalities in the distribution of public taxation as between the two, which, as Mr. Gladstone insists, is the first duty of Government in the Department of Finance to rectify and to remove. But the certainty of the results in respect of the consumption of this necessary of life which must follow such an addition so inequitable in itself, raises the question from the level of Financial equity to that of Political justice and humanity, and invests it with a practical seriousness which no statesman and no financier, who understands his duty, can afford to ignore. A diminished consumption of a prime necessary of life, such as salt is, must mean positive privation and positive hardship of the severest kind to hundreds of thousands of our poorer householders. Besides this, the medical faculty is coming to the conclusion that a diminished supply of this necessary of life is injurious to healthful existence, and leads, among other causes, to several loathsome forms of disease; and competent observers already believe that some of these loathsome diseases are on the increase in India, probably owing to this circumstance. We will not exaggerate this point, but if there be any such certain connection, as is believed to exist, between the growth of these diseases and a diminished consumption of salt, which the experience of the last 19 years only too plainly shows to be the *invariable accompaniment of a high range of salt duties*, the

present enhancement cannot be sufficiently condemned, as it must involve *positive suffering* to the poorer millions, besides privation and hardship. It is surely repugnant to all ideas of justice and political ethics that any action of the State, taken on whatever grounds, should tend to such a result. It is simply inconsistent with the purposes and objects for which Government at all exists and works, that it should inflict any such suffering on the subjects under its care, even under the strongest plea of necessity. What, then, are we to say of a mere fiscal measure of taxation, adopted by Government with its eyes open to the consequences, under no higher plea than that of financial difficulties, that directly tends to impose such a suffering on the already suffering millions of this country? It is this aspect of the question that we desire most to press on the mind of the Government of India. Even those, who consistently advocate and support this salt taxation in India, do so on one condition and one condition only, that such taxation should never go beyond the limit, at which it tends to check consumption. Even the Duke of Argyll's Despatch of 1869 makes this important reservation. The present enhancement of the salt duties, in spite of all that Mr. Westland says as to its being perfectly innocuous, goes beyond that limit and is certain to restrict consumption, and cannot be defended on any imaginary theory of a normal consumption and a normal rate of increase invented by Salt Department for its own convenience. Further, if such enhancement of salt taxation *connotes* privation, hardship and suffering to the poorer classes, let us for a moment consider what, to use a logical term, it *denotes*. The question of decrease and increase of consumption concerns only the lower and poorer classes of the population. It is not the upper ten thousand, like Sir Dinshaw Maneckjee Petit and Raja Peary Mohan Mookerji, nor even the middle hundred thousand, who cut down their year's bill for salt, because it is dearer by a few annas or rupees a maund, or add to it when it is cheaper; but it is the lower millions, like Ramjee bin Rawaji that curtail it, those who cannot earn enough on which to live and with which to buy their necessaries of life. The suffering of those classes, who cannot get enough of salt to eat from year to year, may be imagined rather than described. It is to these classes that we refer, when we speak of the crushing pressure and crushing incidence of the salt impost, and those who make light of this pressure and this incidence, and tell His Excellency the Viceroy and his colleagues at the Council Board in the Council Hall of the Empire, that it is little felt or complained of by the masses

in the country, evidently speak of what they do not know or care to know. Sir Dinshaw might have easily known the fact from any one of his thousand and more employees if he had only taken the trouble to inquire. We will again appeal to figures. Dr. Hunter wrote thus in 1880 :—"Two-fifths of the people of British India enjoy a prosperity unknown under Native rule, other two-fifths earn a fair but diminishing subsistence, but the remaining one-fifth or 40 millions go through life on insufficient food." Adding figures for the Native States, according to Dr. Hunter, we have 100 millions in good and prosperous circumstances, the next 100 in a fairly prosperous condition which is, however, gradually decaying, but the last 50 millions starving and "going through life on insufficient food." Applying these figures to salt consumption and taking salt consumption to be about 10 lbs. per head per annum, we obtain the following result :—

1st Class	100,000,000 at 10 lbs...	about	12,500,000,	maunds per year
2nd „	„ „ ...	„	12,500,000,	Do.
3rd „	50,000,000 at 10 lbs...	„	6,250,000,	Do.
Total	250,000,000	Total Salt consumption	31,250,000	per year

The figure for salt consumption last year is 31,633,000 maunds (vide Mr. Westland's figures).

Now the consumption of the first 100 millions may be taken to be perfectly *safe*, whatever the salt duty and its variations ; that of the next 100 millions also *safe* upto a certain point, capable of maintaining itself as long as the price of salt does not pass a certain limit, so that for ordinary purposes and in considering the effect of ordinary variation in the salt duty, the consumption of these two classes, numbering 200 millions, may be assumed to be safe against the risk of a fall-off. But not so, the consumption of the lower 50 millions on which even the slightest variation in the salt duty tells in a perceptible degree. They require about 6¼ millions maunds for their annual consumption, and the decreases and increases of salt consumption, which follow changes in the duty levied, are decreases and increases in the consumption of these classes. It is these classes that are the first to suffer, when an enhancement takes place, and it is these that feel relief when a reduction follows. When the duties are, however, abnormally raised and the price of salt goes up very high owing to this and other causes, the consumption of the middle 100 millions also shows a fall-off, and these

classes too suffer. Abnormal variations in the salt duties, like the one under notice, may, therefore, be taken to affect one way or the other the consumption of the lowest 50 and, say, $\frac{1}{3}$ or 33 millions of the middle class making a total of 83 millions; and we may say, without fear of contradiction, that the present enhancement of the salt duties will check the consumption of these 83 millions of our poorer classes more or less. This total consumption at 10 lbs per head per annum is 10,000,000 maunds a year, and if the result of the present taxation should be a diminution to the extent, say, of one million maunds, it follows, that it is the consumption of these 83 millions (33 of the middle and 50 of the lowest) which would decrease by one pound a year per head. But our anticipation is even worse; the general consumption of the country during the last 5 years since the reduction of the duties in 1882 has risen from 28,720,000 to 31,633,000, that is, an increase of 2,913,000 or nearly 3 millions; and if this level should be lost and the consumption should fall down in the next 5 years to the level of what it was before the reduction of the duty in 1882, the fall-off might be so much as 3 millions and even more, and the suffering of the 83 millions of our poorer population may be measured by a fall in the consumption per head of full 3 lbs or $\frac{1}{3}$ of the average or even more. If past experience shows any thing, it is the moral certainty of such a result following the practical operation of the present salt measure. And the injustice of any thing like this amount of suffering and hardship, to be inflicted upon these 83 and more millions of Her Majesty's most loyal subjects in India by this measure of taxation, becomes simply revolting when it is considered that this taxation is to be imposed and the resultant suffering to be inflicted for the purpose of raising money to cover a Burman deficit and to pay the cost of a costly "enterprise" undertaken in the name of "Commerce," and "Civilization" in an outlying province of the British Empire.

It is on these grounds, namely, (1) the *financial inequitableness* of this salt-duties enhancement, as throwing unjust burdens on the classes that already pay more than their just share, and (2) the *demonstrable tendency* of such a measure in India to give check to the general consumption of that necessary of life, involving *misery* and *suffering* of a severe kind to the millions of the poorer population, that we base our appeal to the Government of Lord Dufferin to revoke this obnoxious notification of 19th January and devise other ways and means of raising the additional revenue that is wanted. In submitting this appeal, we are speaking in the name of the

83 and more millions of our poorer brethren who must be the first sufferers by it, and we feel confident that our appeal will not fall on unsympathetic ears. Lord Dufferin is a statesman of large views and generous sympathies, and his eminent colleagues in the Government of India, not even excluding Mr. Westland, the misguided author of a bad measure, have sincere sympathy with the suffering poor and have no unfeeling hearts like that of the Hon'ble Mr. Steel, and we earnestly entreat them, on behalf of our suffering 83 millions, to read the lessons of previous history, to listen to the warning voice of experience and observation, to realise to themselves what a diminished supply of this prime necessary of life must mean to the poorer millions of the land, to measure the responsibility that must lie on the shoulders of Government for the suffering which must result, and then consider whether it would not be more in accordance with the obligations of honour and the dictates of duty to revise their decision in this matter of salt taxation and cancel the ill-starred Notification of 19th January last.

A withdrawal of such a measure in deference to the voice of justice and humanity would ever be regarded as an honour and a credit to the Government that has the courage to do it, but it would be peculiarly a most graceful act of beneficent justice if Lord Dufferin, on the eve of his laying down his high trust, would be pleased to listen to our prayer, which we believe, is also the prayer of the entire nation, and give relief to the poorer masses in the country from the unjust addition to their burdens and its concomitant hardship and suffering. The enforcement of the salt Notification of the 19th January in disregard of the national prayer for its recall would only be remembred in the annals of the country as a high-handed act of autocratic power against the wishes of the helpless and speechless millions of the land. But we are confident, we are not appealing in vain. Lord Lufferin has the large heart of a statesman and a true benefactor of the people, and we are sure, he will not leave our shores without calling back the ill-advised Notification to which he had undoubtedly set his hand under wrong and misleading advice.

But those, who like ourselves urge the withdrawal of this measure, are bound to show other ways and means, less objectionable, of raising the additional revenue that is necessary, for the deficit must be covered, the Burman expenditure must be provided for. There is now no escape from this necessity. Enforcement of economy is of course the first suggestion that

everybody makes, but if Mr. Westland thinks, as he tells us that he does, that is not the direction in which Government for the present can look for the means of tiding over the financial difficulty, we are strongly in favour of a Burman loan being raised to meet the special expenditure that must be incurred in Burma "for 2 or 3 years more," the loan, in justice to future years, to be repayable in short-term terminable annuities. If borrowing be considered inadvisable, we will go in straight for extension of the Income Tax to Agricultural incomes exempted from assessment to it under the Act of 1886, and if that again should prove inadequate for the purpose, for enhancement of that tax, to follow its extension.

THE SALT DUTY QUESTION.*

Reuter's telegram from London under date 12th December ran as follows :—

"Lord George Hamilton, Secretary of State for India, replying to the Manchester Deputation, which waited on him yesterday, said that the present antagonism of interests was a danger to the unity of the Empire. Indian finance, he said, had slightly improved during the year, and he sincerely hoped it would continue to improve and thus permit remission of the Cotton duties. He assured the Deputation that their grievance would be first for removal if the finances improved."

It is to be regretted that the Secretary of State has committed himself to a view of the question and given a pledge in the matter, which are alike open to the gravest exception. The Cotton Duties are only 5 per cent duties, re-imposed as part of a larger measure and for purely fiscal purposes—to meet a pressing financial emergency—and that too with the approval of Her Majesty's Government—and balanced as they are by a countervailing excise, are absolutely non-protective in their incidence, and free from all objections on the grounds of Free Trade. They are no new fiscal expedient, having been resorted to more than once before now, in times of financial stress. Such duties, besides, are a most legitimate form of taxation—to which the general sentiment of the country reconciles itself—and falling, moreover, as they do on the richer classes, serve in a measure to rectify the inequalities of our present fiscal system, which tends to throw the main weight of public burdens on the poorer people. And lastly they constitute a fiscal reserve of no mean value in the general financial system of the country.

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* This paper was written at the end of December last—nearly three weeks before the Government of India introduced into the Supreme Legislative Council—and rushed through it with such indecent haste—its latest legislation in the matter of the Cotton duties, by which a revenue of 50 lakhs a year has been wantonly sacrificed at the bidding of Lancashire, and a most unjustifiable blow dealt to the infant Cotton industry of the country,—imposing, at the same time, in a most cruel and heartless manner, an additional burden on the starving, struggling millions of India.—*By the Editor, Sarvajanika Sabha Journal.*

(This paper was published in the Journal of the Poona Sarvajanika Sabha, January 1896.)

The question then in connection with these duties is essentially and primarily a financial question—and not a trade question. Of course, such import duties cannot but affect particular trades and industries; but their economic bearings—whatever they are—hold only a subordinate place in the general considerations.

Lord G. Hamilton, however, looks at the matter mainly in its trade aspects—as dissociated from its financial,—and seems to hold that it is highly inexpedient to retain a fiscal measure, which—whatever its justification,—is, nevertheless by reason of its (supposed or real) adverse effect on the position of a leading British industry, productive of a grave "antagonism of interests" between India and Lancashire—so grave indeed as to imperil the unity and harmonious working of the Empire. This is evidently an exaggerated view of the question—magnifying what is but a local matter into an Imperial question of grave moment. It is, more-over, a view which is most earnestly to be deprecated as seeking to subordinate the financial policy of a great Dependency to the convenience of British commerce and British industry. No one would, of course, ever desire that the interests of India should come into such perilous conflict with those of British industry. But from an Imperial point of view, it would certainly be intolerable, if India—with all her obligations to fulfil,—should not be allowed to raise her income in the ways and by the methods she deems best and should have her financial independence placed at the mercy of an English trade organisation—no matter how powerful. The Lancashire vote may be of vital importance to the position of Her Majesty's Government, but to comply with the selfish demands of a particular trade interest and compel the Indian Government to abandon an important and unobjectionable source of income—and that too at a time when it can least afford the sacrifice—would be to sacrifice India to the exigencies of party politics in England, and from a constitutional point of view would be grave injustice, if not a scandal.

As regards the question of remission of these duties—Her Majesty's Government and a powerful section of the Conservative Party are no doubt pledged to an early repeal. But it is satisfactory to observe that the pledge is on the whole a conditional pledge—dependent on the condition and prospects of Indian finance. The more responsible leaders of the party fully recognise the present embarrassing position of our finances and promise to take up the question of remission of the duties only when it is financially safe to do so.

No one will be disposed for a moment to take exception to any such conditional pledges. We do not want these duties for their own sake, and as soon as they cease to be financially necessary we should be as happy as the Manchester merchants to see them removed. But any demand for a premature remission of these duties—irrespective of financial considerations—is a demand which we are bound in duty to resist.

Lord G. Hamilton, moreover, goes a step further, and after referring to the recent slight recovery of the rupee and the consequent improvement in the financial position, promises in his reply to the Manchester Deputation "that their grievance would be first for removal if the finances improved"—a pledge which ignores previous pledges. And it is necessary to remind his Lordship that it is not the Manchester merchant nor the Bombay mill-owner but the poor Indian salt-tax-payer, who has the plighted word of Government that he is to get the benefit of the first improvement.

In 1888, when the salt duties were enhanced, Sir J. Westland, the Finance Minister, speaking on behalf of the Government of India, said: "It is with the greatest reluctance that the Government finds itself obliged to have recourse to the salt duty." Sir J. Gorst, Under-Secretary of State for India, speaking a few days later in the House of Commons, followed with a similar expression of regret. Lord Cross, then Secretary of State for India, in his despatch to the Government of India, dated 12th April 1888, wrote as follows (paras 15-16):—

"I do not...propose to comment at length on any of the measures adopted by your Government, except the general increase in the duty on salt. While I do not dispute the conclusion of your Government that such an increase was, under existing circumstances, unavoidable, I am strongly of opinion *that it should be looked upon as temporary, and that no effort should be spared to reduce the general duty as speedily as possible to the former rate.*" (The Italics are ours.) His Lordship further urged upon the attention of the Government of India the following weighty considerations on the point:—

"I will not dwell on the great regret with which I should at any time regard the imposition of additional burdens on the poorest classes of the population, through the taxation of a necessary of life; but apart from all general considerations of what is in such respects right and equitable, there are as your Excellency is well aware, in the case of the salt duty in India, weighty reasons for keeping it at as low a rate as possible. The policy enunciated by the Government in 1877 was to give to the people throughout India the means of obtaining an unlimited supply of salt at a very cheap rate, it being held that the interests of the people and of the public revenue were identical, and that the proper system was to levy a low duty on an unrestricted consumption. The success of that policy hitherto has been remarkable; while the duty has been greatly reduced, the consumption through this and other causes has largely increased.....The revenue is larger now than it was before the reforms commenced in 1877, and I see no reason to doubt that the consumption will continue to increase, if it be not checked by the enhancement of the tax." Speaking again at a public meeting in England, Lord Cross took occasion to repeat his views that "he was convinced that *the earliest occasion should be taken to abrogate the increase in the salt tax*" (28th February 1889). In March of the same year, Sir D. Barbour, speaking in the Viceregal Council with special reference to a proposal for the abolition of the Income-tax, observed:—"I think it would be an injustice so gross as to amount to a scandal if the Government were to take off the income-tax while retaining the salt duty at its present figures." In 1890 Sir J. Gorst, in his speech on the Indian Budget in the House of Commons (August 14, 1890), remarked: "*the tax* (on salt) was no doubt a tax which ought to be removed and *would be removed as soon as it should be financially possible to do so.*" Similarly Lord G. Hamilton himself, in his recent Indian Budget Statement in the House of Commons (September 4, 1895), emphasized the necessity for reducing the salt duty as early as possible, pointing out that no other tax

pressed so "heavily" on the Indian people. His Lordship said :—"The only additional taxation from 1882, which has been imposed upon India, is that in connection with the customs duty of last year. I have looked through the proceeds of the various taxes which have been imposed and *I am bound to say there is only one tax which does seem to press more heavily on the Indian people.* That is the Salt Tax, which was raised in 1888. The consumption of salt seems to be an unfailing gauge as to the condition of the ryots throughout the country. The increase in the consumption of salt went on up to 1892-93, and then there was a falling off of 4 p. c. In 1894-95, there was a recovery of 2 p. c., and so far as statistics are available at the present moment, there are symptoms that that recovery is continuous. At the same time I shall watch the salt tax, which seems to have reached the maximum limit, with the view, if possible, of taking an early opportunity of reducing it."

Such a view, so expressed only 3 months ago, regarding the exceptionally oppressive nature of the salt duties as enhanced in 1888, is obviously in direct conflict with his Lordship's present pledge to the Manchester merchants, as telegraphed to this country. The Customs duties, as the Secretary of State frankly admits, do not press so heavily as the enhanced salt duties, and yet—strange logic this!—it is the customs duties that are "first" to go—as soon as the financial condition improves! Are the repeated pledges—Parliamentary and other—of himself and his predecessors in office, to the salt-tax-payer, to be thus thrown to the winds under the deflecting influences of interested agitation and party pressure—and that too in the face of a sad, indisputable fact—as will be presently shown—that the enhancement of the salt duties is causing a deplorable fall-off in the country's consumption of this prime necessary of life?

When the salt duties were enhanced in the spring of 1888, Sir. J. Westland expressed himself as sanguine that the enhancement would have no adverse effect on the consumption of salt. He said, (*vide* Fin. Statement 1888) "considering the

improvement in all means of communication and the generally improved condition of the people, we may reasonably hope that the burden of a duty of Rs. 2-8 will not now have any effect in restricting the rate at which the consumption is increasing."

Unfortunately the hope thus expressed by the Finance Minister has not been realised. The figures are :—

Year.	Consumption in thousands of maunds (exclusive of Upper Burma).	Remarks.
1880-81	27,385	In 1882, the duty was lowered to Rs. 2 all round.
1881-82	28,373	Increase during 6 years ('82-87)=6,350 thousands of maunds or 23 p. c., giving an annual average of increase of 3·8 p. c.
1882-83	29,800	
1883 84	30,678	
1884-85	33,007	
1885-86	31,690	
1886-87	33,735	
1887-88	33,067	The duty was enhanced in 1888 to Rs. 2-8 in Continental India from Rs. 2, and to Re. 1 from As. 3 in Burma.
1888-89	31,355	
1889-90	33,048	
1890-91	33,291	
1891-92	34,451	
1892-93	35,051	Increase during 8 years. (1887-88—'94-95)=415 thousand maunds or ·12 p. c. per annum.
1893-94	33,628	
1894-95	34,150	

From the foregoing table, it will be seen that the reduction of the duty in 1882 was followed by a large increase in consumption,—during the next 6 years—which rose from 27·385 mill. maunds in 1880-81 to 33·735 mill. maunds in 1886-87—an increase of 6·350 mill. maunds or about 23 p. c., which gives an annual increase of 3·8 p. c.

If the increase had continued unchecked during the next 8 years since 1887-88, in which year the duties were raised, we should have had for 1894-95 an increase of over 30 p. c. on the consumption of 1886-87 or full 10 mill. maunds—against which, however, we have to be contented, under the restrictive effect of the ill-advised fiscal measure of 1888, with an increase of less

than half a million (·415). The net diminution in the consumption during these 8 years as compared with the previous 5 comes up to no less than 9·6 mill. maunds. Further, not only have we lost this almost certain increase—which would have accrued under the low duties of 1882-87; but the consumption since has not even kept pace with the growth of population during the period. Taking the rate of increase at 1 p. c. per annum, the population must have increased during these 8 years by about 24 millions, for which the consumption ought to have shown a corresponding increase of at least 30 lakhs of maunds (at, say, 10 lbs. per head), whereas we have only 4 lakhs. There has thus been not only no increase over the figures for 1882-87, but a positive diminution in the country's total consumption of salt to the extent of 26 lakhs of maunds as a direct result of the enhancement of the duties in 1888. The consumption continues all but stationary—concurrently with a normal growth of population. The rate of consumption thus compares for the different periods:—

Year.	Population in millions.	Consumption in thousands of maunds.	Consumption per head in lbs
1880–81	253·7	27,385	8·8
1186–87	266·5	33,735	10·3
1894–95	294·1	34,150	9·5

During the Administration of Lord Lawrence, very careful inquiries were made into the general consumption of salt throughout India, and it was ascertained (*vide* Report of East India Finance Committee, Vol. 1 page 148, Sir C. Beadon's evidence) that on an average the consumption was 15 lbs. per head. What a fall-off is here for 1894-95 from the ascertained level of the sixties—the consumption having gone down to 9·5 lbs. per head! Mr. Pedder, one of the ablest officers of the Bombay Government, stated in a special report on the subject, (1871) para 103—"I have formed the conclusion that 14 lbs. is the probable actual consumption in the Bombay Presidency." For 1893-94 we have only 11·66 lbs. per head consumption in this Presidency.

Such a diminution in the consumption of salt has, besides, a meaning and a mournful reality which ought not to be mistaken. It is upon the poorer classes that the pressure almost exclusively falls—for it is they—and not the richer classes—who eat less salt when it is dear and heavily taxed. It is the starving pauper—the half-starved labourer—the struggling farmer,—and not the richer Zemindar or Bunia,—who is forced to stint his daily supply when the price is high.

Taking the fall-off in the consumption during these 8 years at 26 lakhs, as estimated before, and assuming that we have 40 millions as the half-starved section of the population ("going through life on insufficient food") and 40 millions more who find it a hard struggle to earn bread enough, we may take it that it is these millions of our hard-pressed poor—and not the rest of the population—who are compelled to reduce their annual consumption by so much as 26 lakhs of maunds—which means that they now eat from two or three lbs. less salt *per capita* than they used to do 8 years ago.

The hardship, the cruel hardship thus inflicted upon the poorest of the poor—and for no other object than that of obtaining additional revenue—who have to be content with 6 to 7 lbs. only of salt per year, may be better imagined than described; and a fiscal system which renders it necessary to so bleed the starving poor—no matter how great the necessities of policy—is open to grave condemnation. No canon of finance, no principle of political economy, could ever sanction such a merciless application of the fiscal lancet; and no necessity, however imperative—and no financial emergency, however pressing,—could be pleaded in justification of such cynical indifference to the sufferings of the poor.

But our financial administration knows no such weakness of common humanity and shows little sympathy with struggling poverty. The Salt laws, which safeguard the State monopoly, and protect the fiscal interests of the State in this respect, are severe beyond measure and are, besides, so stringently worked as to necessitate 18000 and more criminal prosecutions for offences under their provisions every year. The terrors of the criminal law thus enforce the demands of the State and the revenue comes into the Treasury with charming ease!

This brings us to the revenue side of the salt question. The figures of salt revenue for the past 15 years are as under :—

Year.	Revenue in crores.	Remarks.
1881–82	7·375	Sacrifice of revenue consequent on reduction of duty—1·198 crores.
1882–83	6·177	
1883–84	6·145	
1884–85	6·507	Increase of revenue on expanding consumption—48 lakhs.
1885–86	6·345	
1886–87	6·657	
1887–88	6·970	Increase of revenue due to enhancement of duty = crores 6·657 in 1886–87 ,, 8·694 in 1895–96
1888–89	7·675	
1889–90	8·187	
1890–91	8·523	
1891–92	8·636	
1892–93	8·656	Increase 2·037 crores.
1893–94	8·228	
1894–95	8·645	
1895–96 (Budget)	8·694	

When the duty was lowered in 1882 under the Ripon administration, the revenue sacrificed was 1·198 crores. During the next 4 years, the consumption extended under the lower duty, and with it the revenue rose by full 48 lakhs.

If the consumption had continued to expand as before and risen during the next 8 years by 10 mill. maunds, there would have accrued to the State at the old rate of duty an increase of revenue to the extent of full 2 crores of rupees— almost *equal* to the amount of additional revenue which has been actually obtained under the enhanced duties. But this was not to be. The duties were raised in spite of the unanimous protests of the Indian people, and the additional revenue has been secured, but with this difference that the country's consumption has been brought down in the fiscal process by so much as 26 lakhs of maunds per annum,—let alone the certain increase of 10 mill. maunds which would have accrued during the period under the lower duties.

And let us next inquire how the additional revenue of 2 crores—so squeezed out from our struggling poor—under the enhanced duties is spent. Nearly 1½ crores are required to pay

exchange compensation to the European Services and 40 lakhs more for increased "political" expenditure beyond the Frontier. The number of Europeans serving in India on 31st March 1890, drawing Rs. 1000 and more as pay and allowances per annum, was (*vide* Parl. Return dated 24th April, 1891) 13,178, receiving Rs. 8,77,14,431 as an aggregate amount of salaries per year. It is these 13,000 and more European officers already in receipt of an annual income of about Rs. 6,700 on an average, who get this exchange compensation to the amount of 1½ crores (Rs. 1,45,65,000)—and that too at the cost of 80 millions of our starving poor going, though they toil and moil from morn to eve, without bread enough! Such is our fiscal ethics! And thus do the hardships of the highly paid European officers of the Crown in India—in the matter of their remittances home owing to fall in exchange—weigh in the bureaucratic balance, as against the sufferings of the silent struggling millions of the land! The remaining 50 lakhs of the additional salt revenue are expended on increased subsidies to the Amir and other tribal Chiefs and tribal levies, whose good-will so bought is, in the estimation of Government, of greater value to the strength of the Empire than the well-being of 80 millions and more of our poor salt-tax-payers!

This whole question—as regards the enhanced salt-duties and their effect on the country's consumption, as also the additional revenue so obtained and the way in which it is so wantonly squandered away,—is with us emphatically the poor-man's question—with a mournful ethical aspect. For the salt duty is admittedly (in the weighty words of the Herschell Indian Currency Committee Report, para 36) "in the nature of a poll-tax, which falls on all classes but presses most heavily on the very poor."

Can it be right—or humane—or even financially expedient—to so bleed the bleeding poor—and that too, not to provide against any imminent national danger or meet any fiscal disaster, but to pay the European Services a kind of compensation to which they have not a tittle of right, and to subsidize the tribal chiefs of the wild border land whose allegiance so sought is after all of doubtful value? This is the crux of the question. The fall-off in the consumption of the poorer classes to so considerable an extent is a fact of sad significance and is an unfailing indication of their deepening destitution and as such deserves the most earnest attention of Government.

The financial position at the present moment is showing gratifying signs of improvement—the rupee is slowly recovering, and so far the Frontier horizon is clear. And if these favourable circumstances continue, the revised estimates for the current year will probably close with a substantial surplus—not a mere balancing entry. And next year, if Government only resists the temptation to send out "punitive" expeditions or scientific exploration parties or political missions to distant regions across the border, it would have an ample margin of surplus on its hands, wherewith to grant to these poorer classes the fiscal relief they so sorely need in the matter of the Salt Duties.

Should, however, such improvement in our financial position as present indications lead us to expect fail us, there is ample room, we submit, for economies in the administrative expenditure of the State; and Government could without difficulty—if it only had the will—find the requisite means to reduce the salt duty to its old level of the Ripon period, and relieve the hardships of the poor in respect of a prime necessary of life, which is also their only luxury.

During recent years, much of our military expenditure has been more or less of an exceptional character. The exceptional exigencies of the military situation, which rendered it necessary, no longer exist. Besides, the late Pamir agreement with Russia and the Durand treaty with the Amir of Kabul, with the various delimitations of frontier lines across debatable regions, serve in large measure to assure peace on the Frontier and minimise chances of collision beyond; while the completion of special defence works, the vast extensions of Railway lines—largely improving communcations with the frontier—the formation of a strong reserve to the Native Army, the organization of Imperial Service troops in Native States and a considerable increase in the Volunteer Corps—these are all important accessions of strength to our military resources.

With the defences of the country so strengthened during the past 12 years, Government might reasonably be asked to consider whether the increases to the armies of the country (34,000 troops nearly), carried out in 1885-86-87, are any longer required. And if it be conceded that these additional troops are now clearly in excess of the military wants of the country, we might urge they may be abolished and the armies reduced to their old strength at the earliest opportunity. Some

such measure would effect a large saving in our Military estimates and place at the disposal of Government more than ample means for the fiscal reforms which we all so anxiously desire.

Whether, however, the anticipation of a considerable improvement in the financial condition of the country is realised, or failing such improvement, it be found possible to enforce economies of the sort we suggest, all that we wish is that Government may see its way—at the first and earliest opportunity it finds itself in a position so to do—to allow the benefit of the first improvement in the financial prospects to the poor salt-tax-payers of the country and in fulfilment of its solemn Parliamentary pledges grant relief to them—*before* any such relief is given to the cotton trade of Manchester—in the matter of these enhanced Salt Duties, which are having such a deplorable effect in restricting their consumption of a prime necessary of life, which, as Professor Fawcett justly urges, ought to be "as free as the air we breathe and the water we drink."

THE PRESENT FINANCIAL POSITION.*

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A GRAVE CRISIS.

A dispassionate survey of the present position of our Finances reveals a state of things almost bordering on the desperate, and which demands our most anxious consideration. Expenditure shows an alarming growth in recent years—particularly the cost of what is known as the "forward" policy of Indian Frontier Defence—involving a continual extension of administrative and diplomatic, territorial responsibilities,—and yet there is no effort—nor even a serious disposition to make any—to effect retrenchment or enforce economy. The clumsy financial expedient of irresponsible despotism,—*viz.*, *increase of taxation*—is recklessly resorted to in order to ensure the requisite equilibrium of Revenue and Expenditure with the result that the weight of public burdens in the country in relation to the economic condition and resources of the people is now such as, in the opinion of competent observers, to constitute a grave political peril. The existing statutory safeguards against extravagance and waste and the employment of India's means except for India's requirement have thus far proved illusory, and the constitutional machinery, as at present organized, seems altogether inadequate for purposes of effective control.

A brief general analysis of the situation will suffice to mark the nature of the financial crisis which at present confronts us.

Broadly speaking, the existing position of Indian Finance presents three very remarkable features, which at once arrest attention, and which, in the opinion of Lord George Hamilton, (*Vide* his recent speech on the Indian Budget in the House of Commons) constitute its peculiar strength :—

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* This paper was published in the Journal of the Poona Sârvajanika Sabhâ, January 1896.

(*a*) Looking over a series of years, and taking good years with bad, we have on the whole a substantial equilibrium of Revenue and Expenditure.

The figures for the past 12 years are as under :—

(In Millions Rs.)

YEAR.	GROSS REVENUE.	GROSS EXPENDITURE.	SURPLUS.	DEFICIT.
1883-84	71·841	69·962	1·879	.....
1884-85	70·690	71·077	.....	·386
1885-86	74·464	77·265	.....	2·801
1886-87	77·337	77·158	·178	.....
1887-88	78·759	80·788	.....	2·028
1888-89	81·696	81·659	·037	.....
1889-90	85·085	82·473	2·612	.....
1890-91	85·741	82·053	3·688	.....
1891-92	89·143	88·675	·467	.....
1892-93	90·172	91·005	.....	·833
1893-94	90·565	92·112	.....	1·546
1894-95	95·154	94·163	·990	.....
1895-96 (Budget.)	96·924	99·288*	.....	2·364
Total...			9·851	9·958

Thus, since 1883-84 we have had 7 years of surplus against 6 years of deficit—the aggregate surplus fairly balancing the aggregate deficit, including the estimated cost of the Chitral expedition and occupation (*Vide* Lord G. Hamilton's speech on the Indian Budget, September 4). Considering what a trying period these years have been and what a heavy bill of extraordinary charges we have had to pay on account of wars and war preparations, conquests and development of conquered provinces, exchange and exchange compensation, nothing could be a more satisfactory result on the general account.

* Budget 96·878 + Estimated cost of Chitral Expedition 2·410 =Rs. 99·288.

(*b*) The position would appear to be even better, if we look to the Assets and Liabilities of the Government of India. The balance sheet stands as under on March 31st 1895 :—

In India.

Assets.	Rs.	*Liabilities.*	Rs.
Railways constructed by the State	85,354,000	Debt	104,346,000
Irrigation works	30,331,000	Other obligations	18,605,000
Loans to Municipalities	11,177,000		122,951,000
Cash Balance	22,680,000		
	149,542,000		
	122,951,000		
Excess of Assets over Liabilities	26,591,000		

In England.

Assets.	£.	*Liabilities.*	£.
Purchased Railways	59,236,000	Debt	116,006,000
Advances to Railway Companies	5,409,000		116,006,000
Cash Balance	2,446,000		67,091,000
	67,091,000	Excess of Liabilities over Assets	48,915,000

☞ There is, thus, uncovered debt in England to the amount of £ 48,915,000 against which we have in India surplus assets to the extent of Rs. 26,591,000.

Add, moreover, on the side of assets, the entire material apparatus of civilized administration—including civil buildings and roads we possess, and the national balance sheet shows a most gratifying surplus of assets over liabilities in England and India. What civilized nation, excepting perhaps the United Kingdom, has a more satisfactory balance sheet to present? It ought, further, to be borne in mind that our final sheet of account, such as it is, has been reached across a century and a half of unparalleled trials and difficulties, and that throughout the period of the British connection, India has had—unlike the other Colonies and Dependencies of the Empire—to meet her

charges and liabilities—whatever they have been—including the whole cost of conquest and the suppression of the mutinies—with her own unaided resources, with absolutely no help from the Imperial Exchequer, and more-over has had like a loyal vassal dependency to co-operate, at the call of the suzerain Power—whether in the fields of Persia, Afghanistan, Abyssinia or Egypt—with the armed strength of the Empire and in defence of Imperial interests.

(*c*) Thirdly, in view of a financial equilibrium so resolutely maintained and of a balance sheet so clear and satisfactory, what wonder if the credit of the country stands so high in the money market? The success of debt-conversions, carried out within the past 12 years both in England and India, testifies to the growing strength of the public confidence in the solvency and soundness of Indian finance. Our debts in England and India and interest charges during the period under review compare as below:—

In India.

YEAR.	RUPEE DEBT.	INTEREST.
1883-84	Rs. 93,191,384	Rs. 3,741,148
1895-96	Rs. 103,455,775	Rs. 3,633,400
	+Rs. 10,264,394	–Rs. 107,748

In England.

YEAR.	STERLING DEBT.	INTEREST.
1883-84	£ 68,108,837	£ 2,725,748
1895-96	£ 110,109,492	£ 2,658,100
	+£ 42,000,655	–£ 67,648

Thus increase of debt both in sterling and rupee is accompanied by a considerable reduction in interest charge—a result on which any financier might well congratulate himself.

We have therefore as characteristic features of our financial position :—

(1) a *fair balance* between Revenue and Expenditure on an average of years ;

(2) a final *balance sheet with a clear surplus of assets* over liabilities including every kind of debt and obligation ;

(3) *high credit* in the money market both in India and England ;

and Lord G. Hamilton claims—and not without apparent reason—such a position of national finances, so maintained in the face of difficulties and embarrassments of no ordinary nature, as a brilliant feat of financial skill—and no doubt in any constitutionally governed country and under normal conditions of responsible direction and control, such a result would have been a splendid financial success. In India, however, where Government is virtually free from all effective responsibility and possesses uncontrolled powers over expenditure and taxation, the so-called financial feat achieved only testifies to the merciless vigour of the administration, and affords no indication of the strength or soundness of the position, which remains after all as weak and full of peril as ever. The reckless policy of a practically irresponsible and despotic bureau is permitted to determine the expenditure of the Empire and the expenditure so established is made to determine the level of public taxation, which, however, does not bear any normal relation to the tax-paying capacity of the people. The principle of English Finance—*viz.* that of raising the whole of the supplies within the year—is here adopted and rigorously carried out, and a financial balance enforced and worked out without reference to the ability of the people to bear the load and stand the strain. There are, under the existing arrangements, no effective motives to economy, and no constitutional checks to enforce it. Under the Company's Government, we had always in the Court of Directors an ever vigilant board of directive supervision, interested in economical management and invested with constitutional power to ensure it ; under the direct administration of the Crown, we have no such sheet-anchor of financial protection and no one *in a* position to prevent waste and extravagance. The result is as might be expected. We now stand on the brink of a financial crisis of unprecedented magnitude and severity. Expenditure has established itself on

a most extravagant scale, which does not easily admit of reduction, and which even threatens to rise as years pass by with the growing needs of our newly acquired provinces and protectorates ; while public taxation, already too heavy and crushing is found increasingly inadequate and yet cannot now be augmented to the level of the new requirements 'without a dangerous exhaustion of natural resources.' Such is the dilemma with which we have to deal.

Let us take the *expenditure* side of the national account. We have first to take note of the disturbing action of two of the many standing factors of uncertainty in the Indian Finance —*viz. Exchange and Opium.*

Exchange has fallen since 1883–84 from 19·536 d. to 13·0d. per rupee in 1895–96, and the loss on Home remittances has increased in consequence from Rs. 3,373,700 to Rs. 13,116,300,—a net increase of about $9\frac{3}{4}$ crores, exclusive of additional payments to European soldiers on account of exchange. These payments have risen from Rs. 46,000 to Rs. 1,156,400.

(The figures are in thousands.)

Year.	Average rate of exchange.	Net sterling expenditure.	Exchange on net sterling expenditure.	Additional payment to British soldiers on account of exchange.	Total charge for exchange.
	d.	£.	Rs.	Rs.	Rs.
1884-5	19·3	13,844	3,364	184	3,548
1885-6	18·2	13,755	4,329	224	4,553
1886-7	17·4	14,172	5,329	275	5,604
1887-8	16·8	15,128	6,356	436	6,792
1888-9	16·3	14,652	6,817	517	7,334
1889-90	16·5	14,513	6,512	631	7,143
1890-1	18·0	15,176	4,969	587	5,546
1891-2	16·7	15,716	6,825	407	7,232
1892-3	14·9	16,114	9,694	612	10,306
1893-4	14·5	15.633	10,159	852	11,011
1894-5 (Revised Estimate.)	13·0	15,594	12,995	1,134	14,129
1895-6 (Budget.)	13·0	15,739	13,116	1,156	14,272
					98,470
1883-4	19·5	14,764	3,373	46	3,358

The aggregate excess loss on account of exchange, including additional payment to European soldiers, over the level of 1883-84 amounts to no less than 58 crores during the period —averaging 4·84 crores a year and more than absorbing the whole net Revenue from stamps. The increase in Home charges since 1884-85 has been about £1·9 millions, due mainly to increase of Military expenditure and increase of loss on the Railway account,—had there been no such increase, the saving in exchange would have been about half a crore. Deducting such avoidable increase, we have a net increase of loss on account of exchange over the level of 1884-85, amounting to 10·2 crores as lying entirely outside the control of Government.

Similarly in regard to *Opium* we have a continual fall-off in receipts during the period. Opium Revenue averaged during 10 years (from 1874-5 to 1883-4) 7·238 crores; since 1884-5 it has fallen to 4·105 crores in 1895-6,—the average for the period being 5·812 crores.

(The figures are in thousands.)

Year.	Net Revenue.	Year.	Net Revenue.
	Rs.		Rs.
1874-5	6,214	1884-5	5,850
'75-6	6,252	'85-6	5,884
'76-7	6,280	'86-7	6,213
'77-8	6,521	'87-8	6,090
'78-9	7,699	'88-9	5,964
'79-80	8,249	'89-90	6,977
'80-1	8,451	'90-1	5,698
'81-2	7,803	'91-2	6,150
'82-3	7,216	'92-3	6,391
'83-4	7,701	'93-4	4,750
		'94-5	5,675
		'95-6	4,105
	72,386		69,747
Total annual average.	7·238 Crores of Rupees.	Total annual average.	5·812 Crores of Rupees.

The aggregate deficiency of receipts under this head of Revenue, as compared with the annual average for the preceding decade, comes up during the period to 1·72 crores—a loss of income also lying beyond the control of Government.

With these two large disturbing elements—*falling Exchange*, inflicting upon the Treasury a net aggregate excess loss of 58 crores,—and *failing Opium*, causing a total net deficiency of Revenue during the period to the extent of 17·2 crores,—no prudent Government, really solicitous for the welfare of the people under its charge, and certainly, no responsible administration would have chosen to embark on a policy of reckless adventure. The Government of India, however, thought otherwise, and under military lead, permitted itself in the spring of 1885—under cover of precautionary measures for the better protection of the Indian Frontiers—to be launched upon a costly Imperial programme of operations in defence and furtherance of Imperial interests beyond the border. On the N. W., the steady advance of Russia towards the N. W. Frontier—almost within striking distance—as marked by her occupation of Merv in 1884 and her subsequent march to the Murghat, and the unfortunate collision between her troops and the Afghans at Penjdeh in March 1885—on the one hand, and on the other, increased French colonial activity in the far East, were seized as pretexts for reviving old ambitious schemes of territorial expansion beyond the Indian Frontier; and to forestall Russia on the one side and France on the other, Government entered upon a vigorous prosecution of what is known as the forward frontier policy, which, while it has had the effect of weakening our natural defences, has resulted in a vast extension of our territorial responsibilities and necessitated large additions to our annual expenditure.

As a necessary precedent condition, a comprehensive scheme of measures of military precaution and preparation was planned out and vigorously put in execution :—

(*a*) Improvement of Frontier communications by rail and road. About a crore-and-a-half have been since 1886-7 laid out on frontier military roads, and close on 14 crores spent on the construction of strategic railways,—the net annual charge on account of these railways coming up to 60 lakhs, nearly 6 lakhs on working and 54 on account of interest on capital outlay.

(*b*) A large programme of special Defence works, to cost altogether 5 crores, undertaken. 4·6 crores have already been spent for the purpose, leaving 40 lakhs for future years.

(*c*) Increase of the armies by 29,000 troops carried out in 1886-7-8. The addition, it was stated, was required for "placing the Indian army on a footing adapted to the new conditions which it may be called upon to meet. Till lately the functions of that army were limited to maintaining the internal peace of India and to supplying small bodies of troops for foreign expeditions against adversaries possessing very limited resources. By the recent advance of Russia, the military problem with which the Government of India has to deal has been profoundly modified. We have now in close proximity to our Frontier a great European power with which we may at any time be brought into hostile contact, and consequently our existing military establishments are no longer adequate for the duties they may have to fulfil." (*Vide* Government of India's Despatch to the Secretary of State dated August 14, 1885.)

The net increase of charge on account of these additional troops is, under administrative expenditure alone, close on 4 crores. The aggregate additional expenditure during the period amounts to 22 crores.

	Crores.
1884-5	14·838
1895-6	18·829
Increase	3·991

With these measures of military precaution and preparation in rapid progress, the Government of India embarked upon a vigorous course of frontier extensions and launched its armies beyond the border towards the close of 1885.

(1) Upper Burma was the first to be conquered and annexed. The expeditionary force under General Prendergast crossed the frontier on 14th November 1885, and within a fortnight Mandalay was occupied and King Theebau was a prisoner. On the 1st of March 1886, the province was formally annexed to British India. The expedition cost Rs. 630,000 in 1885-6 and the new province has ever been a dead charge on the Indian Revenues. The net amount we have had to spend on

account of special military expenditure and civil administration during the period, has been 14·9 crores. The annual charge is yet close on a crore.

	Net charge in crores.
1885–6	·630
'86–7	2·068
'87–8	2·618
'88–9	1·695
'89–90	1·333
'90–1	1·082
'91–2	1·391
'92–3	1·176
'93–4	1·082
'94–5	·819
'95–6	·925
Total	14·092*

Upper Burma covers about 100,000 sq. miles with a large belt of subordinate chiefships (the Shan states) covering an equal area as a political appendage. The protected border-land is still in a state of political unrest and frequent punitive expeditions have to be despatched to maintain peace and enforce order.

(2) Next we come to British Baluchistan. It was in 1887 that Pishin, Sibi, Shorarud, Tal-Chotiali, and Harnai—districts taken over from the Amir of Kabul under the treaty of Gandmak in 1879-80 and till then administered by a political officer—were formally incorporated with British India and formed into a new province of the Empire under a chief Commissioner. The valleys of Bori and Zhob were occupied in 1887 and '89 respectively and annexed to the new province; Musal Khel, Khetram and Khibzai were subsequently added and in 1889-90, the country, intervening between the Punjab and the Zhob, occupied by various tribes, was taken over and incorporated with British Baluchistan.

Thus enlarged, the new province is now an extensive province of vast strategic importance thrust wedge-like into the Central Asian zone. A regular civil administration has recently been organized and the Government grant-in-aid of civil expenditure is about Rs. 86,000 a year. The garrison in the province consists of about 9,000 troops and the military charge at the lowest estimate cannot be below 50 lakhs per annum. Besides, the works and communications of Quetta are a heavy charge on the Public Works Budget of the Empire. The Province covers an area of about 45,000 sq. miles.

* There seems to be some discrepancy in these figures.

(3) We have in the third place to notice the establishment of a large protectorate under the Gilghit Agency. The Agency, with a brigade of Kashmir troops, was re-established at Gilghit in 1889. The object was to watch the course of events beyond the Kashmir frontier and control the country lying to the south of the Hindu Kush and to hold in readiness a force strong enough in time of trouble to prevent any *coup-de-main* by a small body of troops acting across the passes. The Government of India urged in this connection :—"The advance of Russia up to the frontiers of Afghanistan and the great recent development of her military resources in Asia have admittedly increased the necessity for strengthening our line of defence, and among the points requiring special attention are the northern passes of the Hindu Kush, which afford difficult but not impracticable route for a force large enough to cause much excitement if nothing worse, in Kashmir and among the tribes of Bajour, and perhaps at Jalalabad and on the Punjab frontier. We cannot afford to disregard this risk. Further we cannot afford to permit any foreign power to establish in time of peace its influence in the country." (*Vide* Chitral Papers, page 7.)

The Gilghit Agency so re-established has now an extensive protectorate under its control—stretching right up to the heights of the Hindu Kush and including Hunza, Nagar, Chitral, Swat, Dir, and Bajour and other adjoining chief-ships. By the Durand treaty of 1893, the Amir of Kabul gave up all claim to sovereignty over these tribal chief-ships.

The cost of the Agency was at first estimated at half a lakh, but subsequently the establishments of officers and troops had to be increased and subsidies to the tribes received considerable additions, and the total cost rose to 2 lakhs per annum. The occupation of Chitral is officially estimated to cost 20 lakhs a year for the present. The area of the Protectorate is about 35,000 sq. miles.

Further, the Kuram Valley, which was abandoned in 1881 as a worthless strategic position, has been re-occupied and is now held up-to the Peiwar Kotal.

(4). At about the same time, we have in the far west a third British protectorate established outside the limits of the Asiatic continent. The Somali Coast in East Africa from Wahadu to Ziyada became an Indian protectorate in 1884 and is now under the political control of the Aden Residency under the Bombay Government. By an arrangement with Italy in 1894, the limits of the protectorate (covering an area of 75,000 sq. miles) were definitely defined. At present Berbera, Zaila, and Bulhar are the only three military outpost held by the Indian troops. The cost of the protectorate for the present varies from 1 to 2 lakhs a year.

The protectorate was extended in 1886 by the inclusion of the island of Socotra off the cost of Africa and the Kuria Muria island of the coast of Arabia, acquired from the Sultan of Muscat.

(5) But by far the most important extension of our frontier responsibilities remains yet to be noticed. It is during this period that our protectorate over Afghanistan has been finally and definitively established. Afghanistan is no longer a "neutral intermediary zone"—lying outside the sphere of Russian influence and separating British India from the Czar's dominions in Asia, as was contemplated by Lord Clarendon in 1868, but is now an integral part of our vast British protectorate in Asia. It came within the recognised sphere of British influence in 1872-3 and we are now under solemn treaty obligations to defend under all circumstances its integrity and independence. Sir L. Griffin, than whom no one knows these relations better, holds that "England is as much bound in honour to defend Herat, Maimana, Balkh or any other portion of Afghanistan against Russia as she is to defend the Isle of Weight against France." The Amir is strictly bound to conform to our advice in the conduct of all his foreign relations, and is always entitled, like every other chief under British protection, to claim material and moral support from us in the hour of need. The respective spheres of control of the Amir and the Government of India have been defined, and by the recent Durand treaty (1893), the Amir has given up all Suzerain-

rights over the entire intervening belt of tribal territory between his dominions and British India—which is now brought under English administrative control; he has further withdrawn his pretensions over Waziristan. As part of the Durand agreement, the Amir's subsidy has been increased from 12 to 18 lakhs per annum. The demarcation of the Russo-Afghan frontier, begun in 1884, was completed in 1888, which is accepted by the Czar's Government. Similarly in 1891 the Perso-Afghan boundaries were settled. The protectorate is now bounded on the North by the Central Asian States under the influence of Russia, on the West by Persia and on the South by British Baluchistan and covers an area of 200,000 sq. miles.

This definitive incorporation, during the period, of Afghanistan with the British Indian protectorate is an event of the gravest moment in our recent political history. It brings British India into actual territorial touch with the Russian Empire in Central Asia, and opens up a vista of large possibilities. It imposes upon us military and diplomatic liabilities, which it is simply appalling to contemplate. The new protectorate profoundly modifies the military situation and adds infinitely to our difficulties of frontier defence. What the financial and other demands of the new condition of things so established on the N. W. Frontier will be, time alone can show, but that they will be vast—intolerably vast—there can be no shadow of doubt. For the present, the charge on account of the protectorate is represented by the Amir's subsidy of 18 lakhs per annum.

(6) These vast territorial extensions have not been achieved without a large expenditure on expeditions and military operations. Including the cost of operations in Burma and on the Burmese frontier, as also the cost of the recent Chitral expedition, the aggregate charge during the period on this account is no less than 15·6 crores.

(7) Further large additions to "political" expenditure have been necessary. Political missions beyond the frontier, explorations, boundary commissions, tribal levies, subsidies to tribal chiefs, new political agencies at distant centres of political control—these and such like have cost us considerable sums of money during the period and have permanently increased our "political" expenditure from about 50 lakhs in 1883–4 to over 96 lakhs during the current year. The total excess charge over the figure for 1883–4 has been close on 3 crores (2·838 crores).

To sum up the financial results of the new frontier policy—

Preparatory measures.	Aggregate charge during the period in crores.	Permanent annual charge in crores.
Military roads	1·250	,,
*Strategic Railways	14·000	·600
Special Defence Works ...	4·630	,,
Army increases ... ... (including Baluchistan garrison.)	22·000	3·900
Frontier extensions.		
(1) Upper Burma	14·920	·925
(2) British Baluchistan ...	,,	0·086
(3) The Gilghit Agency and Protectorate ... ... (including Chitral.)	,,	·220
(4) Somali Coast	,,	·012
(5) The Afghan Protectorate...	,,	·180
Cost of expeditions, &c. ... (exclusive of Burma.)	8·240	,,
Political expenditure	2·838	·457
Total in crores...	67·878	6·380

Such are, as far as we can gather from official returns, the financial results—so far of the forward policy of Indian frontier defence, resumed in the spring of 1885. In the very nature of things such expenditure once undertaken can have no finality and must needs grow with each fresh development of the policy.

A heavy bill of extra charges—albeit a crushingly heavy one—including a net aggregate expenditure of 67·8 crores and involving a permanent addition to the annual charges of the country to the extent of 6·3 crores—a bill, more-over, likely to

* The charge is met from capital and not from current revenue.

grow as time passed by—is not, however, the only outcome of the new policy. We have, besides, on our hands a vast addiional tarea—partly under direct dominion and partly under protective political control—to look after embracing two new provinces (Upper Burma—100,000 sq. miles, and British Baluchistan—45,000 sq. miles), together containing an area of 145,000 sq. miles and equal in size to the whole Bengal Presidency, together with four protectorates covering a total area of 410,000 sq. miles, (*viz.* the Shan states 100,000 sq. miles, the Gilghit Agency and Protectorate 35,000 sq. miles, Afghanistan 200,000 sq. miles, and lastly Somaliland 75,000 sq. miles=410,000 sq. miles)—in all covering an aggregate area of 555,000 sq. miles, more than the area of France, Germany and Italy put together. And all this enormous expansion of territorial responsibilities, with its necessarily heavy bill of charge, has been carried out within the short space of 12 years in the name of India's safety and for the better protection of her Frontier !

To the calm observer of the situation, the first question that suggests itself is, was all such territorial extension at all necessary for the purpose ? Was it necessary to advance the bounds of the Empire so far into the wilds and deserts of Mid-Asia and East Africa ? Was it not possible to avoid so large extension of administrative and diplomatic liabilities—consistently with the obligations of national safety ? Would it not as well have served the purpose to keep to the old border lines, and trust, as Lord Lawrence and his able co-adjutors so strongly recommended, to the strength and loyal support of a united and contented India against all menace of foreign aggression ? It is, however, no use now reviving the old controversies, and we have to accept the fact that the natural lines of the country's frontier—once held to be impregnable—are now left hundreds and hundreds of miles behind. And we sincerely wish it were even now permissible, after all the toil and trouble of the past decade, to hope that the new advanced frontier line, which has cost us so dear, is truly the " scientific frontier," of which the Government was so long in search, and constitutes an invulnerable line of defence,—proof against all assault. The new policy—and its results—so far as may be judged from present indications, leave the military and diplomatic situation, we fear, distinctly worse and weaker than it was 12 years ago. But our present concern is only with the financial aspects of these so-called " defensive " measures of the past 12 years, and we

have here only to take note of the fact that they have entailed on the country a total expenditure of 67·8 crores and a net additional of 6·38 crores to its annual expenditure.

Apparently not content with making such large additions to the expenditure of the country, Government has, further, simultaneously pushed on with vigour a vast scheme of Railway extensions. During the period since 1883-4 capital outlay on Railway construction by the direct agency of the State has amounted to 61·9 crores, to which a further sum of 25 crores has to be added as expended by the Companies—giving a total capital expenditure of about 87 crores. Up to the end of 1882-3, the total capital outlay by the State was but 39 crores (1868—1882-3). Some of these lines are complete and some are still under construction, which may require further expenditure. Several of the new lines—especially on the Punjab side—are avowedly for strategic purposes and are worked at a loss. The N. W. Railway, for instance, on which 35·4 crores have been spent up to date, does not yet pay its way. Similarly, the Mushkaf, Bolan Railway—the third line constructed since 1880 to connect Quetta with Sibi and which has cost 2·26 crores—is now ready to be opened for traffic but clearly it will have to be worked at a dead loss for years. Further extensions are in contemplation and various surveys at an immense outlay have been carried out. The Mandalay-Kunlon Railway project has just been sanctioned; the line is intended to extend to the frontiers of the Chinese province of Yunnan and open it up to English commerce, forestalling French projects in the same direction, and is estimated to cost 2·5 crores. We have also at Chaman, the Afghan terminus of the Quetta line, a large quantity of *frontier Railway reserve material* (of the value of 44 lakhs) piled up on the Kandahar side of the Kwaja-Amran range with a view to political eventualities.

This vigorous prosecution of Railway construction has, however,—partly owing to the falling exchange and partly because several of the new lines are strategic only—largely increased the net loss to the State during the period. The loss in 1883-4 was only 30 lakhs, it is now in the current year 2·149 crores. The aggregate loss on this account in excess over the figure for 1883-4 comes up to 14·4 crores. As fresh extensions proceed on the N. W. and on the N. E., and if exchange does not, in the mean time, improve, the loss must grow *pari passu*.

Lastly, to swell this bill of extra charge for the period, Government chose in 1893-4 to grant exchange compensation to its European Services. The amounts granted are :—

	Crores
1893-4 ...	·624
'94-5 ...	1·235
'95-6 ...	1·456
	3·315

This is new charge and will vary with the fluctuations of exchange. In the current year's Budget, it stands at little less than a crore and a half—almost absorbing the whole increase of Revenue sought to be secured by enhancement of the salt duties in 1888.

Surely, the hardships of the European Services in the matter of their family remittances to England, owing to low exchange, far outweigh in official estimation the silent sufferings of the poorer millions of the land, who are compelled, in consequence of the enhanced duties, to eat less salt.

Net salt revenue.	
1887-8...	Rs. 6,636,207
'95-6...	Rs. 8,124,500
Increase	Rs. 1,488,293

The new charge, so lightly undertaken in the midst of such heavy embarrassments, sufficiently marks the reckless character of the present financial administration. What responsible Government, we ask, would have ventured to increase the pay of its already overpaid services—by 15–20 p. c. by a stroke of the pen—while retaining such a cruel impost on a prime necessary of life as the salt poll-tax at so high a rate?

Here closes our account of the *extraordinary expenditure* of the period—which Government has chosen to incur without apparent excuse or necessity. The following is a rough summary :—

	Total expenditure. Crores.	Permanent addition. Crores.
Frontier Policy.....	67·80	6·380
Railway Extensions..... (exclusive of strategic lines)	14·46	1·242
Exchange Compensation...	3·31	1·456
	85·57	9·078

We have thus had, during these 12 years since 1883-4 an extraordinary expenditure of 85½ crores and have had 9 crores added to our permanent Budget of annual charges. More-over

this is a bill of extra charge we have had to meet, besides providing for the normal annual charges of the country. What civilized nation, we may ask, has had so heavy a bill to pay during a similar period?

Be it further noted that Government has elected to inflict upon the country such a needlessly heavy expenditure in the face of *falling Exchange* and *failing Opium*, exerting a most disturbing influence on the financial position of the country.

Indian public opinion is unanimous in holding that not a rupee of this enormous extra expenditure has brought us any good. The whole amount, we agree in thinking, has been recklessly and wantonly wasted under the uncontrolled management of a cynical and irresponsible bureaucracy—an amount, which, if it had been properly applied to its legitimate purposes in promotion of internal progress and development, might have resulted in a large increase in the happiness and contentment of the teeming millions of the land and in an accession of moral strength and stability to the British position in India, infinitely greater than any number of conquests and annexations, defence works and strategic lines could ever ensure. The constitution gives us no effective voice in the administration of our own funds and provides no other agency to guard our interests, and hence is possible all this waste and diversion of our resources to purposes in no way connected with our safety or our welfare.

At all events, it will not be disputed, we think, that in undertaking such an enormous extra expenditure in the face of the accumulating difficulties of *falling Silver* and *failing Opium*—and more-over at a time when the country was just struggling to emerge from the effects of one of the most frightful famines on record, and required, above all, breathing time and repose,—Government has not shown, during these years, in respect of the management of the national finances, that due care and caution which we had a right to expect of it as a trustee of our resources.

The recklessness of the existing financial administration of the country—due to the absence of adequate constitutional control—will be still more apparent, when we pass on to an examination of the ways and means by which Government has endeavoured during these 12 years to meet the new extra demands, and maintain the requisite balance of Revenue and

Expenditure. As in respect of Expenditure, so in the matter of Revenue, it has shown itself singularly regardless of the true interests of the country. If there has been, according to Sir A. Colvin, a "*perilous growth*" *of expenditure* in India since 1883-4, particularly in the military and political departments of Government, it will be seen that there has been a still *more perilous growth of public burdens* in the country—a growth, more-over, proportionately larger by far than in any country of Europe or America and which is besides accompanied by ruthless re-adjustments of expenditure—which have had the effect of seriously hampering administrative improvements and the material and moral progress of the nation.

Among the financial expedients adopted by Government during the period, we made specially note:—

(1) Frequent suspensions or curtailments of the Famine Insurance grants.

During the past 12 years, the grant has been suspended 5 times, (1886-7, 1887-8, 1888-9, 1894-5 and 1895-6) and twice curtailed (1889-90, and 1890-1)—apparently in complete disregard of the fact that each such suspension or curtailment of the fund was a distinct violation of the solemn, "religious" pledges volunteered by Lord Lytton's Government in justifying the special taxation imposed for the creation of the Fund. The total expenditure on famine relief and insurance since 1884-5 has been 11·9 crores, *i. e.* short of the normal amount pledged by full 6 crores.

(2) Appropriations of Provincial resources and balances in aid of Imperial expenditure.

The Provincial contracts were revised in 1887-8 and a net asset of Rs. 640,000 was secured to improve the position of Imperial revenues; the contracts again underwent a revision on expiry of a 5 years' term in 1892-3 and the Government of India got Rs. 466,300 as a net gain on revision. The total amount thus secured in aid of Imperial revenues has been since 1887-8 Rs. 45,98,900. Besides, special contributions were exacted from the local administrations to the amount of Rs. 8,95,000 (Rs. 4,90,000 in 1890-1 and in 1894-5, Rs. 4,05,000). The aggregate exactions so obtained from the Provincial Governments come up to full 5½ crores during the period.

Such frequent sweepings into the Imperial Treasury of these Provincial monies evidently tend to unsettle the contracts, shake the confidence of the Provincial administrations, contract and cripple their resources and reserve balances, weaken motives to economy and careful management, and interfere with Provincial progress. But what a chance was there of any weight being allowed to considerations such as these, when money was imperatively wanted for improving the fortifications of Quetta or the defences of Aden, or for maintaining garrisons at Gilghit and on the Somali Coast, or for subsidising the Khyber and Kuram Chiefs ?

(3) Postponement of administrative reforms.

We need only refer here to the question of Police Reform and the separation of Judicial and Executive functions—reforms, the necessity for which has been most amply recognized, times without number, but which have been put off from year to year for " want of funds."

(4) Curtailment of useful expenditure in various ways.

Take, for instance, the Department of Public Education. Expenditure under this head has increased during the period by only 35 lakhs—from 1·238 crores in 1884-5 to 1·587 crores in 1895-6 ; while " political " expenditure beyond the frontier has increased by nearly 46 lakhs—for the purpose of increasing the subsidies of the Amir and other frontier chiefs, paying increased amount to the tribal levies, and giving increased allowances to the Swatis and Bajouries and other tribes—apparently as if the enforced allegiance of these semi-wild tribes were of more consequence to the peace and glory of the Empire than the moral and intellectual elevation of the people of the country !

(5) But such re-adjustments of expenditure could not possibly suffice and instead of adopting a policy of retrenchment and economy as the circumstances of the country demanded, Government has chosen to have recourse to *increase of taxation* to meet the increased expenditure.

The following table exhibits the net expansion of taxation proper during the period (1883-4—1895-6), taking only the " principal heads " of Revenue—the other receipts being non-tax revenue ; and omitting

(*a*) *Tributes from Native States*—as an extra receipt.

(*b*) *Opium receipts*, as contributed by the foreign consumer.

(*c*) And further deducting from the figures for 1895-6 *Upper Burma receipts*—the province being annexed only in 1885-6.

(In crores of rupees.)

Principal heads of Revenue.	1883-4.	1895-6.	Increase.	Per-centage.
Land Revenue*	22·361	25·646	3·285	14
Salt	6·145	8·693	2·548	41
Stamps.....	3·513	4·611	1·098	32
Excise.....	3·836	5·474	1·638	42
Provincial rates.....	2·878	3·654	·776	25
Customs	1·187	4·814	3·627	300
Assessed taxes.....	·526	1·791	1·265	240
Forest	1·052	1·413	·361	35
Registration.....	·258	·417	·159	60
Total.....	41·766	56·613	14·757	35

The expansion of taxation during these years has thus been over 14·7 crores—which gives an increase of about 10 annas per head of the population or (taking 5 persons to a family) Rs. 3-2 per family per annum.

In no European country—not in the United Kingdom nor even in France or Russia—has there been during the period so large an augmentation of public burdens. While the United Kingdom—of which India is but a distant dependency—with

* (*Note*—Land Revenue is here included as being properly a *tax* and not *rent*,—as is erroneously held by Sir H. H. Fowler and others. The theory of the landlordship of the State, on which the "rent" view is based, is opposed to both precedent and fact.)

all its widening responsibilities of Empire and Imperial protection, adds only 14 per cent to the burdens of the people; while France, with her admittedly great military and political difficulties and colonial requirements, increases her public taxation by but 13 per cent; while Russia, with her vast Empire stretching across two Continents, could manage her world-wide concerns with only a 32 per cent addition to her public revenues;—British India, while under the protecting shadow of the British Empire, is condemned to add 35 per cent to her burdens! The following table, compiled from the "Statesman's Year Books," will be of interest in this connection.

(*In Millions £. Sterling.*)

Name of Country.	1882–3	1894–5	Increase.	Percentage of increase.
*Great Britain & Ireland	148·6	169·4	20·6	14
*France	139·4	157·4	18	13
*Italy	73·6	87·9	14·3	19
Austria-Hungary	74·8	87·5	12·7	17
Sweden and Norway	6·8	8·4	1·6	23
Belgium	11·9	14·28	2·3	19
Denmark	2·76	3·22	·46	17
Netherlands	8·9	10·5	1·6	18
Russia (Direct and indirect tax revenue)	81·0	107·2	26·2	32
British India	Mill. Rs. 41·761 (1883-4)	Mill. Rs. 56·516 (1895-6)	14·7	35

Here parenthetically we may conveniently notice Sir J. Westland's contention that the increase of taxation in India thus arrived at by comparison is only apparent—as being calculated in a depreciated currency. Reduced to a sterling basis,

* Including both Imperial and Local taxation.

argues the Finance Minister, the taxation for the period shows a positive diminution—which means a sensible alleviation of the people's burdens! And he gives us an elaborately constructed return as an appendix to his last Budget speech in support of his argument (*Vide* Financial Statement, April 1895). Taking for comparison only Land Revenue and Taxation, the table works up as under :—

Revenue.	1883–4	1894–5
£1 = Rs.	1·229	1·833
	Mill. £	Mill. £
Land Revenue..	18·022	13·889
Forest.....	·854	·895
Other Taxation.....	14·802	15·344
Total.....	33·678	30·128
Deducting for Upper Burma.....	.....	·600
	33·678	29·528

Decrease of Taxation—£4·15 millions.

Sir J. Westland hence argues that the taxation of the country has been reduced during the period and claims credit on behalf of the Financial Administration for the enforcement of a "severe economy", which has rendered such reduction possible. His table, however, gives us only *one* side of the national account which vitiates his comparison. He omits the other term of the equation—the income of the country—on which the taxation is levied, which, if similarly reduced for the period to a sterling basis, would also exhibit a parallel proportionate decrease! The decrease on reduction to an appreciated currency being then balanced on either side, the equation would be a correct financial equation and the ratio between taxation and the income of the country would be in correspondence with fact and would furnish a right standard for comparison. The fallacy of Sir J. Westland's argument lies in the assumption that while

the revenue and expenditure of the country are calculated and stated in the depreciated currency of silver, the entire volume of the country's transactions ranges and adjusts itself on a gold basis following the variations of exchange. The fact is that the regulating currency of the country is essentially the currency of silver—exchange coming in only in respect of foreign liabilities,—and that neither rents nor profits nor wages nor prices are appreciably influenced by the fluctuating course of exchange. The country's transactions are all on the silver basis and obey the normal economic laws in entire independence of the variations of the value of the rupee in relation to gold. It is in silver that we deal in all our business relations, and it is in silver that we pay our taxes. Increase of taxation, therefore, in the regulating currency of the country is a positive increase of burdens and cannot be whittled away by any academic manipulation; and it can, for instance, carry no conviction to the mind of the poor contributor to the salt-tax—who earns his daily wage in silver—to be told that he now pays less for the salt he eats than he did 12 years ago—as calculated in gold—and that the enhancement of the duty is only apparent!

We may then take it that the net increase of taxation, during the period, has been, as shown before, full 14·7 crores—or 35 per cent. since 1883-4—and is proportionately heavier than in any other civilised country in the world, heavier by far than in the United Kingdom.

But there are other features, besides, of this increase of public burdens with us during these years, which deserve special attention:—

(*A*) *Economically*:—

(*a*) Government has thought fit to inflict upon the country such a formidable load of additional taxation—and for no intelligible reason—just at a time when it was trying to recover from the disastrous effects of a most dreadful famine, and when it needed all the sympathetic consideration it could have received.

(*b*) While in England and other European countries the expansion of national income depends on and follows a normal advance in material prosperity; in British India, the recent increase of taxation has been simultaneous and concurrent with a steady deterioration in the resources of the people. Everywhere else, the nations are progressing with rapid strides in wealth,

comfort, and every other element of material strength; we alone in British India are steadily losing our ground in the industrial field, and such is now the break-down of our economic system that we have amongst us—particularly in the lower strata of the population—a degree of acute distress and grinding poverty, such as is perhaps no-where to be met with in the rest of the civilized world. Among other indications of a serious decline in recent years in the economic condition of the people we may notice :—

1.—*Severe agricultural depression.*—The area of cultivation not advancing with advancing needs of a growing population—a fast-proceeding exhaustion of the soil under pressure of continuous, unmanured cropping and in the absence of agricultural improvements—a diminishing yield of crops—the growing indebtedness of the agricultural classes—these are some of the determining features of the industry which is the one surviving economic main-stay of the nation and on which 80 p. c. of the people depend for very bread.

2.—*An alarmingly increasing death-rate,*—an unmistakable indication of the growing destitution of the poorer classes. The mortality for 1891-2 amounted to a fearful total of 7,000,965 deaths or 32·12 per mille. There has been some improvement since but the fact remains that the present death-rate in the country is a good deal higher than it was 12 years ago. In 1882-3, there were only 4,595,648 deaths or 22·17 per mille.

3.—*A growing fall-off in the consumption of salt* since the enhancement of the duties in 1888—another unfailing indication of the diminishing resources of the poorer classes. In 1886-7 the total consumption was 33,735,054 Indian maunds; for 1894-5 it is 34,150,507 or only 415,453 maunds more. Taking the rate of increase at 1 p. c. per annum, the population of the country during these 8 years must have increased by about 23 millions, for which the additional consumption of salt at the normal rate of 10 lbs. per head per annum ought to have been about 30 lakhs of maunds, against which we have only an increase of little more than 4 lakhs. The consumption of this prime necessary of life is thus now 26 lakhs of maunds short of the normal—which means that 80 millions and more of our struggling poor, who alone cannot afford to buy enough salt when it is dear, are forced to cut down their supply by about 3 lbs. per head.

4.—A *stationary* condition of the general *wage-rate* of the country *in the face of rising prices*—a sure sign of a fall-off in the standard of living of the labouring classes.

(*B*) *Financially* :—

(*a*) As regards the character of our taxation.—while in the countries of the West, every effort is made to adjust public taxation so as to make it weigh as lightly as possible on the springs of national industry, in British India it is as if specially designed to cripple the national resources and to impede material progress, and we need only refer to some of the recent enhancements of land revenue in the Deccan, the Central Provinces, and the Punjab, the enhancement of the salt duties, and the growing *Forest* receipts as fair illustrations of the radically vicious character of our present fiscal system.

(*b*) With this enormous increase of burdens, the extreme limits of taxation in India are, in the opinion of competent observers, reached if not already over-stepped Income-tax, salt-tax, forced periodical increases of land revenue, local rates have been one after another, during these years, sweaten from the shaking sides of the struggling Indian tax-payer and now no fiscal reserve remains available for emergencies. Not a rupee more can now be raised from him without dangerous exhaustion.

(*c*) And be it further recommended that all this stretching and straining is during a quiet time of peace! And if such is the stress of peace, what may be the stress of war, when it comes? And where is the reserve of strength on which reliance is placed?

(*C*) *Politically* :—

There is yet a third aspect of this increase of taxation which cannot be passed over. There is a growing feeling of uneasiness—if not of alarm all over the country at this fearful growth of burdens—a feeling as yet vague and undefined—but which, as it gathers strength and volume, constitutes a political danger which it is no longer safe to overlook. Every one with disquieting anxiety waits to see what may be the next turn of the fiscal screw? Further, among the more intelligent classes in the country there is an increasing sense of keen discontent and dissatisfaction at the way in which all this money, so squeezed out, is so recklessly squandered away amidst the inaccessible wilds and sandy deserts, far away outside the limits of the country; and, indeed, it is impossible

to hold one's patience when one finds that the unfortunate country is being so ruthlessly bled—for the purpose of extending the benefits of civilized rule to semi-barbarous tribes, inhabiting the wild border-lands of the Empire!

Such, then, is, in general outline, the way in which Government has managed the *revenue* side of the national account during these years and such are the methods which it has thought fit to adopt to meet the demands of a situation, it itself has created in blind disregard of all prudent considerations—*regretable re-adjustments of administrative expenditure* and an *intolerable increase of taxation*, and that too of the sort above indicated.

Taking now in one broad view both the sides of the financial administration of the country (*expenditure* and *revenue*) during the past 12 years, it will be seen what a formidable *impasse* we have come to, under the guidance of a bureaucracy—left to follow its own instincts and adopt its own devices, in blissful freedom from all outside check or control—a growing expenditure with an irresistible tendency to grow still further *ad infinitum et ad libitum* on the one side, and on the other, a taxation forced up to the extreme limits not only of the people's means but now even of their patience!

Such is the situation—desperate and full of peril—with which we have to grapple. Revenue and expenditure, no doubt, balance each other, and according to European tests the financial equilibrium so established is a decisive proof of the soundness of the system—a view of the position which Lord George Hamilton evidently holds. But such are the conditions of Government and Administrations in this country that in this very balanced position of the national finances—on which the Secretary of State congratulates us—there lurks *grave danger* to which we ought no longer to shut our eyes.

This vaunted financial equilibrium is itself a delusive equilibrium, and presents a dilemma from which escape does not seem easy. In the presence of such an embarrassing situation, it would, in our opinion, serve no useful purpose to criticize particular items of public expenditure or particular aspects of public policy, and it would be a mistake and a wrong diagnosis of the evils to seek to fasten the blame on this or that individual administrator or on this or that individual Administration. It is, we submit, the *system*—the entire financial management of the country—which is responsible for the present difficulties; and unless there is a change—a radical

change in the system—the root of the evil will remain untouched. It is the machinery and not the product nor its working agents on which we have to concentrate our attention.

High authorities concur in the view that the root of all our financial embarrassments lies in the absence of any adequate control under the existing constitution of the Government of the country over the management of the national finances. Professor Fawcett remarks on this point (*Vide* "Indian Finance", Introduction) :—"When the Government of India was transferred from the Company to the Crown, many safe-guards for economy were swept away, and the subsitutes for them have proved ineffective." Sir D. Barbour similarly says (*Vide* his speech at a meeting of the International Bi-metalic Conference, 1895) :- "The system for the control of Indian expenditure (as provided under the existing constitution) is defective," and refers in this connection to "a constant tendency for expenditure to outgrow revenue, a system of Government in India favourable to increase of, and unfavourable to reduction, of expenditure, no financial control by intelligent and well-informed public opinion either in India or in England; an insufficient check on expenditure in India, and a remote and imperfect control exercised from England." Sir A. Colvin takes an analogous view and writes in a recent article : "The root of our financial difficulties in India is the insufficient check exercised under the constitution of its Government by the Financial Department .....There is no control on expenditure from outside the Government ; no fear of being turned out over an unpopular or extravagant policy."

This is testimony indeed ! For when two such ex-Finance-Ministers as Sir A. Colvin and Sir D. Barbour—steeped to the lips in the most inveterate traditions of bureaucratic rule—deem it necessary to come forward and complain with Indian critics that under the constitution, there is practically an absence of effective control on expenditure, surely no more conclusive proof of the mischievous character of existing arrangements could be needed. There are few subjects more important than this of the necessity of constitutional safe-guards to control Indian expenditure, but we have already exceeded our limits and we will, therefore, conclude the present survey with the hope that steps will be taken by those who are interested in the proper administration of Indian finance to press this point on the earnest attention of the Royal Commission, sitting at present in London.

THE NATIVE INDIAN ARMY.*

Reform or Increase?

The question of Indian Native Army Reform, though it cannot be ranked as one of the most burning public questions of the day, is none the less a question of vital importance to the highest interests of the country. We take up this subject of Army Reform thus restricted in its scope, chiefly because the British Army in India stands on its own peculiar ground, and being subject to political and climatic conditions, which necessarily impose large limitations on its numerical strength and working capacity, it occupies in our opinion the position of an accessory force, though of course constituting an equally essential branch of our military system.

The question relating to the suggested or contemplated abolition of the Presidential Armies, which is at present silently agitating the official world, and causing not a slight flutter in military circles, is, we think, in principle little more than a question of administrative convenience, and involving as it does no question of vital principle, it may be safely passed over with comparative indifference. But the far more pressing and broader question relating to our Native Army, its character and composition, its organisation and management, can never be a matter of unconcern to us, as it has an important and serious bearing on the political present and future of this country. Inattention, or what is worse, apathy with respect to a question of such grave import would be unjustificable and inexcusable. It is true that it had not hitherto received its due measure of consideration either from the native Press, or from the native Associations; but recent events have necessarily forced this subject upon general attention, and it is time, we think, to invite the native public to a calm and dispassionate discussion of it, with a view to arrive at a workable scheme of definite reform, which might be made the basis of a common and unanimous appeal to the responsible authorities.

Approaching the question on its constitutional side, we may safely lay down the position that the Indian nation has a right to ask—(1) that the native Army, which is in truth the very back-bone of its whole military system, and on whose loyalty and honest devotion to the British flag in the last resort, Government must depend as a provision against internal dis-

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turbance or foreign attack, should in its constitution be really a *national* army, an army of the Indian nation and not solely, or even principally, a mercenary one; (2) that the numbers and proportion of different branches of this army should be placed on a thoroughly sound footing with due regard to the needs and changing circumstances of the country, regarded both as an Asiatic Government, and as a loyal dependency of the British Empire; (3) that it should be maintained in a healthy state of efficiency, possessing a sufficient degree of elastic and recuperative vigour, able to withstand all danger, and equal to any exigency; and (4) that at the same time it should be administered as economically as possible, in other words, at a charge compatible with the poor condition of our national and financial resources. The nation has a right to insist that the Native Indian Army shall not be organized and managed on any other lines, for in that case it will be not only a source of anxiety and embarrassment to Government under conceivable circumstances, but, what is more to the point, of positive peril at a serious conjuncture to the nation at large. If it consists chiefly of foreign levies, with doubtful loyalty to the national interests and weak moral fibre, and notwithstanding its costliness, it is defective as a fighting organization in one or more branches of warfare, it is plain enough that it cannot safely be depended upon to stand the ordeal of a serious trial. The normal dangers of a mercenary, non-national, therefore inelastic and unsympathetic, and inefficient Native Army become most critical in the interests of India in the present conditions of the military situation in Asia, and it thus becomes our duty as loyal citizens of the Queen-Empress to call attention to these dangers. We have to take note on the one hand of (1) the inevitable effects of the Arms Acts in demartialising the entire population of the Peninsula, and thereby striking at the root of all military self-reliance and internal defensive strength of the country, and (2) of the equally inevitable results of a regime of peace in inducing a general disinclination to military life, and a love of peaceful pursuits, even amongst the once famous military classes of the community; and on the other, we must note (1) the tendencies of the military situation in Asia, and (2) the rapidly-gathering clouds of trouble and difficulties on our North-west and Eastern frontiers, consequent on closer contact with populations, divided from us by deep differences of race and creed, of thought and sentiment, and particularly with that large zone of Mahomedan fanaticism, zone of highly excitable and explosive

material, which (to quote the impressive language of Lord Salisbury's speech at the Lord Mayor's Banquet), "is always electrically charged, out of which thunder-storms may with but little notice proceed." We are bound to see that our Native Army,—which next to the British Army and Navy, is our chief and sole means of safety in the hour of danger,—is what it ought to be, in other words, that it is not de-nationalized in character, nor mercenary in spirit, nor weak as a fighting organisation, and liable to break down in times of emergency, nor over-costly in maintenance.

The present state and constitution of the Native Army are thus a most important and pressing subject of legitimate inquiry. Its importance is not a whit diminished just now, because we are ostentatiously invited to dismiss from our minds all timid fears and weak anxieties on the point, and called upon to pay the Income-tax, and trust in loyal confidence in the all-seeing and all-wise omnipotence of Government to fore-see and provide against all possible human contingencies. Unfortunately, the people of India are not children to believe that an 'addition of some 30,000 men to the standing army of the country, carried out at a charge of two or three crores of Rupees raised by unpopular fresh taxation, would make for us quite an impregnable tower of strength unassailable, if not inaccessible, either on the side of the Indus or of the Iravati. The very vehemence of these most comfortable and gratifying assurances which are vouchsafed to us defeats their end, and makes even the credulous, seldom-suspecting, seldom-doubting public opinion of India rather suspicious on the point, and people are tempted to ask whether the whole thing can be so easily and charmingly managed. Is our native Army,—we cannot but ask the question—constituted and worked at present, as efficient, as trusted, as strong, as self-subsisting as it ought to be? Is its organization satisfactory in the permanent interests of the nation, or such as the country has a right to expect for the money spent on it? Is its present constitution such as to satisfy the requirements of the new situation? Is it above all, in a satisfactory state of efficiency, in any measure, proportionate to the increase of its responsibilities, and fit to stand any trials that may await it in no distant future? These are some of the questions which the inquiry suggests, and surely over-bold must be the man, who, after a close and conscientious examination of the subject, would venture to answer all or any of these queries in the affirmative. It is much to be regretted that the public is not in possession of full or detailed information on the subject, but the broad features,

of the system as it exists are clear and open to our view, and we are grievously mistaken if a close analysis of them, especially in the light of the more recent developements of the situation, does not disclose a state of things, as far as the Native Army is concerned, such as to excite the gravest misgivings even in the minds of the most credulous optimists, and to justify a demand for a thorough, radical, and comprehensive reform.

Our Native Army stands, we suspect, at this day in all its essential elements of numbers, organization, and management, on precisely the same footing, on which it was placed after the Mutinies of 1857-58. The system of military defence, adopted at a grave military crisis primarily for the restoration of peace and order, and continued, after that crisis had passed away, for facilitating the work of Imperial consolidation, is maintained to the present day as a permanent system, with all the defects and short-comings, suffered to be left in it, in the heat and hurry of a troublous period, untouched. These defects did not perhaps at the time strike the official vision, blurred and dimmed as it was in the dust-storm of what was thought to be a crisis of appalling magnitude. It is none the less to be regretted, however, that the cooler and wiser judgment of the succeeding period of profound calm and peace should have left them till now unnoticed and unremedied in the light of experience, and in view of the fast-changing conditions of the situation. The main object which the military authorities had then in view was, how best to disarm the revolted soldiery, and make similar risings impossible in the future. This purpose and *raison-d'-etre* not only do no longer exist, but on the other hand the source of danger has shifted elsewhere, and requires all available internal strength to be utilized and knit together to ward it off. Self-complacent official optimism is, however, still swayed by the influences of an unworthy military policy of jealousy, distrust and suspicion, adopted with some show of justification immediately after the Mutinies, but for which no decent excuse can now be pleaded. It is a public misfortune that our military authorities still decline to recognize the altered facts of the situation, even when brought out in such painful relief last summer by the threatening aspect of affairs on the N. W. Frontier, and they fondly seek to perpetuate all the most striking defects of the old effete system, and in their advocacy even exalt them into the peculiar excellences and merits of our military organization. Official perversity, or rather aberration, could go, we can conceive, any lengths, but it is most surprising and disheartening to find that even the responsible rulers of India do not see cause to question

the soundness of the existing organization, or doubt the efficiency of the Native Army as at present constituted. They only admit the inadequacy of its present numerical strength to meet the new requirments of Frontier defence, and recommend addition to that strength as the simplest, the best and the most obvious solution of the problem ; and Government seems resolved,—though it has not yet thought fit to vouchsafe to the bewildered public those considerations of high policy which have led it to the resolution,—to carry out this recommendation of military experts, which seems to accord so well with suggestions of its own mind. It is not our present purpose to call in question the wisdom of that resolution on financial grounds, and protest on behalf of the Indian tax-payer against the contemplated increase of the armies of India, with the result of an enormously large addition to the already heavy military expenditure of the country; but we wish to show on the present occasion, by looking a little deeper into the facts of the case, how the proposed solution of the military problem, not unattractive in its simplicity, nor difficult to carry out, rests on a complete mis-conception of permanent fundamental conditions. It is our firm conviction that the whole existing military organization of the country, at least as far as the Native Army is concerned, is not what it ought to be, and requires a thorough over hauling. No merely arithmetical manipulation of the standing army of the country can furnish any solid or safe basis on which to found the true solution of the military difficulty. We can have no faith in the efficacy or soundness of mathematical or mechanical modes of dealing with the complex conditions of a great political policy, and we for ourselves can never subscribe to the opinion that the contemplated augmentation of our armies could go any great way to place our national defences on a satisfactory basis, though it might serve to put out of view for a time the real dangers and the pressing evils of the existing system. All the advantages which increase of numbers can secure must be at the best only temporary; such increase can never make up for the defects of a radically vicious system. And on this, as also on other grounds, we deem it to be our solemn duty to raise our voice, solitary though it be, in the name of common-sense, against what appears to us to be only a policy of "make-shift" which, ignoring the changed and changing circumstances of the times and putting aside the really vital problem of army reform, seeks, in strange disregard of what the permanent needs of the Empire demand and in open contempt of all considerations of financial safety, to grapple with the difficulties of the hour, by simply adding 30,000 men to our

standing army, and with it three millions of new charges to the already intolerable weight of the existing system of public burdens. Believing, as we firmly do, that the *sine qua non* of an efficient system of national defence is the soundness of its organization, and distrusting all schemes of arithmetical additions, what we ask for is a candid and honest revision and re-casting of the present arrangements, with a view to secure *Reform* in the first place, and there-after *Increase* of numbers, if imperative necessity be shown to exist. "Reform the Native Army first, and increase it next if necessary"—sums up our own view of the matter.

Let us then see how the native army at present stands. We shall begin by examining first its composition. Here we find still in force the same vicious principle of state-craft—"Divide and rule," which was in such high favour with the military authorities of the Mutiny period. The present policy of recruiting for the army is the same old alien and jealous policy of putting together, by way of mutual check and balance, opposing nationalities, conflicting castes, and antagonistic races, and we fear if there has been any change in this respect, it is all, as far as we can see, for the worse, certainly not for the better. The increasing difficulty of attracting recruits,—due, we are told by the highest authorities including Sir F. Roberts, to the absence of sufficient inducements and the decay of the military spirit within the country,—has been a source of complaint with Government for several years past. That Punjab, Oude, and the Deccan, which once used to furnish such splendid material for the army, do not now supply recruits of as good physique as before, is believed by the Commanding officers on the testimony of recruiting agents, and an impression is slowly gaining ground that these Indian fields are well-nigh exhausted, and that, if the native army is not be to suffered to deteriorate in quality, they must before long be abandoned as unserviceable, in favour of other, and chiefly extra-Indian, countries. Already as one of the effects of such an impression, we find that recourse is being actually had, in an increasing measure, to such foreign (*Vide*: General Hardinge's farewell order) sources for recruiting purposes, as the Baluchistan and Afghanistan border tribes. Only last summer we saw, how in the anxieties of a threatening crisis of a serious nature on the N. W. frontier, the Government of India, with perfect confidence, and without the least hesitation, turned to Nepal and Sikkim for fresh drafts of recruits for the new battalions it wished to form. And further, we have reason to believe that if the recent returns of recruitment were published with full details, they

would bring out in awful prominence the fact that this new policy of taking up recruits for our Native Army from savage and alien tribes living beyond the Indus and Terai frontiers, in apparent unconsciousness of danger arising from the introduction of such foreign, fanatical, and purely mercenary elements into the Indian army,—danger, we repeat, alike to the stability of the British position in India and to the political future of the Indian nation,—this new policy is receiving a more extended application. No attempt, it is clear, is ever made to test the validity of the testimony of recruiting agents, and wild ideas and baseless theories are taken on trust, and a fatal and disastrous turn is given to the military policy of the State. Matters are allowed to drift from year to year, and the army is being recruited from whatever sources Government recruiting agents find easy and ready to hand. Men are picked up wherever they can be found, in the country or outside it, and from whatever class, with a single eye to breadth of chest and height of stature, and the commanding officers are satisfied if they get into their respective battalions, men of the broadest chest and the tallest stature, no matter from what field they come, from Patagonia if they will, and do not further trouble themselves, and with reason as military officers, with any political considerations of State policy. But what painfully strikes us is the political blindness of those higher authorities, who are primarily responsible for the efficiency of the national army and for the permanent security of the country, in permitting such a recruitment of the native army. These authorities seem to be unaware or regardless of the essential conditions of national defence which must put limits to their freedom of action in this matter, and guide their line of policy. Two facts seem to force themselves on our notice in this connection, namely (1) that there is no systematic endeavour to cultivate recruiting grounds in the country itself, and possibly none to test the supplying capacities of the existing fields, believed without sufficient warrant to be exhausted; and (2) that no inducements in the way of better pay or prospects of direct commission are held out to attract to the service fresh blood from the higher classes of the community, or even from the Yeomanry of gentle-born castes. We submit that these facts,—for facts we believe them to be,—taken *per se* seem to constitute a legitimate ground for complaint on the part of the nation, to which a good native army is of vital importance. It is hardly necessary to give detailed figures here to show how the present policy of army-recruitment is vitiating

the *personnel* of our native army. The fact is too well-known and freely admitted to need further argument. We think, we are not far wrong when we say that the evil is daily growing, and assuming more and more unsafe proportions. The danger of the present arrangement may perhaps be realised in its full gravity when we advert to the fact, to which Sir T. Madhavrao C. S. I. lately called public attention in the columns of the *Madras Times*, namely, that there is a continuous stream of Beloochi, Afghan, Goorkha, and other foreign mercenaries, flowing into the country from beyond the Frontiers, almost unchecked, some of them being diverted towards the Native States, some obtaining admission into the ranks of the Native Police, and the Native Army, and rest settling down to fearful occupations, and going to swell the criminal classes in the country.

Now if this is not an incorrect statement of the existing condition of things in respect to the constitution of our Native Army, the evil is real and serious, and it behoves us to lodge a respectful but solemn protest against the continuance of a method of recruitment which is its parent source, and which threatens within a measurable distance of time to de-nationalise our native army and lower its *morale*. If things are suffered to go on in this way, consciously or unconsciously, the evil will soon be past cure, and without seeking or pretending to discern the dim and distant courses of futurity, it seems within the range of possibility that troubles will arise in connection with the native army, more formidable than any with which Government has hitherto had to deal.

Here is then, one of the most crying evils of our present system, which is doing a world of harm to our Native Army, and Reform therefore, we respectfully submit, must begin here if any where. Our Native Army must be our own national army, ours in something more than a name. Its ranks should be filled up by none other than Indian races. It should reflect in its composition and characters the varied elements of the nation, its spirit, its loyalty, its aptitudes, and even, we would venture to add, its idiosyncrasies. We have therefore a right to ask that the present policy of recruitment should be at once abandoned, as fraught with grave danger, and a safer and wiser one be adopted in its place, of raising recruits within the four corners of the country itself, without relaxing in the least that necessary condition of enlistment, good physique, and prefer-

ably from the better classes of the community as far as practicable, without drawing invidious and useless distinctions of race and creed. The material instincts of our military classes, as far as they are still alive and have been not extinguished by the effects of the Arms Act, should be turned to account by cautious encouragement, developed with care, and utilized by prudent arrangements for the purposes of national defence, and this cannot be surely beyond the resources of military statesmanship. The existing recruiting fields, which are being unaccountably neglected, need only, we are strongly persuaded, the fostering and sympathetic care of Government to regain their old vigour.

The second fatal fault of the existing system appears to us to be the purely mercenary basis on which our Native Army has come to rest. Among the chief causes which are, in our judgement, contributing to this deplorable result, it may suffice here to note two, namely (1) the low pay and poor prospects of the native soldier, and (2) the refusal to confer direct commissions on native gentlemen. Men enlist to go into the army year after year in larger and larger numbers, less for the love and honor of service than for the bread it gives. We fear, particularly looking to the new method of recruitment above referred to, men join the army less and less through promptings of noble ambition to serve the Queen Empress and their country, and share in the honors and toils of the service, and more and more, as time goes by, through the pressure of necessity and in search of bread. Low people, illiterate and ignorant, thriftless and shiftless, find here what they do not know how to find elsewhere, their means of subsistence. Foreign immigrants too, coming into the midst of a crowded population, seem to seek admission into the army from similiar motives. But, on the other hand, the better classes stand aloof; all the higher prizes of the service lie beyond the reach of native ambition, and the existing system of pay and promotion for the native sepoy offer to them no sufficient inducements to enter the army. There are no honorary commissions in the army to attract into its ranks members of the military aristocracy of the country. The practical effect is that our native army is gradually deteriorating in quality from a moral, if not from a physical, point of view. While the higher and better classes do not enter the service, and stand appart, excluded from, and unattracted to it, on its present basis, it is driven to draw its strength, more and more, from the needy, hungry, and lower classes of the population. In consequence of such a

radical change in the character of its material, a distinctly lower tone is coming to be imparted to our whole military organization, in its native branch at least. The soldiers are held more and more to the national colors by what is appropriately called the "bondage of the salt," less and less by the stronger tie of a lively sense of duty and honor. They come, for the most part, from the lower stations of society, and do not enjoy in the ranks of the army the advantage of healthy contact with the influences of higher life and higher society, because of the total absence of representatives from the upper classes. Lastly, they join the service for livelihood, and do not aspire to rise high in the ranks of the army beyond the most subordinate grades, and thus receive during the period of service no practical training in the duties of really responsible command.

It is thus, we believe, that it has come to pass that our native soldiers leave the service as they enter it, in no way improved by the discipline. Pay, in the absence of higher prizes, becomes the ruling motive from beginning to end,—enlisting for money, serving for money, and leaving with the hope of money. There are no higher prospects to strike their imagination, or elevate their minds beyond considerations of paltry pay and pension. The soldiers, thus circumstanced, must be thoroughly mercenary in their loyalty. They are loyal to the salt they eat, and loyal to the Government that feeds them, but of that higher sentiment of loyalty, warm and single-minded devotion to duty, to the national cause, to the national flag, and to the Indian Government they are privileged to serve, no larger measure can, we fear, be expected in this condition from them, human nature being what it is.

The military dangers, in the hour of trial, of such a mercenary feeling getting firmly rooted in the soldier's mind, and growing deep and wide in the army, are too obvious to call for remark, and this circumstance of itself should suffice to convince sceptics of the radical unsoundness, even from a military point of view, of a system that gives rise to such apprehensions, and make them reasonable. But the political danger of such a mercenary basis of our whole organization is more serious still. It is not too much to say that it can never be for the advantage of Government, that the higher elements of the community under its sway should thus practically stand almost wholly outside one of the chief spheres of its administration, and should not have their active sympathies and co-operation enlisted in the cause of national defence and order. This

virtual exclusion of our higher classes from the ranks of the army is a feature of the existing system, too serious, we submit, to be passed over without notice, and one fraught with danger to the Empire. It is a more scandalous blot on our system than even the reckless enlistment of foreign mercenaries, and as such it deserves and demands the most anxious attention of those who are responsible for the Government of the Indian Empire, and for its well-being and safety.

If the evil be once admitted and recognized, the line of reform is clear, and the remedy is obvious. A change of policy is needed, and nothing, we believe, stands in the way of such a change except a traditional adhesion to, and fondness for, the old distrustful and absolute policy of the Mutiny period. Government has seen fit to adopt a more generous policy in recent times in the civil department of its general administration, and the same spirit should animate its Military authorities. What is required is a levelling-up of the status of the native soldier and officer. Such a levelling-up would have a double effect: (1) it would alter for the better the character and condition of the Sepoy; (2) it would attract to the army the pick of the gentry and the yeomanry. Higher prospects and higher honours, as well as higher pay and emoluments, should be held out as prizes of ambition to draw men, with whom money is at best only a secondary consideration. There should be a fair proportion of officers' commissions in the Army reserved for our Sardars and the younger brothers of our Chiefs, with a guaranteed right to the higher grades of the Service. In one word, every effort should be made to get for the army picked men from the higher and more intelligent and independent classes of the community; for nothing in our judgment would serve so well to elevate the whole tone and character of the Native Army than the infusion into the system of some of the best blue blood of the country. The object is so important, the interests at stake are so immense, that here, if any-where, more money might be wisely and properly spent in adding to the attractions of the service.

We now pass on to a third feature of our existing military system. It raises, however, a question of principle of such serious magnitude, that we feel, we must be content here with briefly indicating our own line of view with respect to it, and we invite further discussion and examination before formulating definite conclusions at this stage of the inquiry.

Our whole military organization stands at present exclusively on the basis of a "standing" army—which forms, so to speak, the beginning, the middle, and end of the system. It has no reserve, and no support in the country of any kind to fall back upon. Such an army organization stands alone, we believe, without example in the modern world; and surely nothing can be opposed to the whole theory and practice of modern European nations, including England herself. We may go further, and venture to add that in our former history, such a standing army never existed in India. In ancient times under Hindu rule, our Kshatriya and Rajput classes served not only to provide sufficient material for the standing army of the country, but also furnished the reserve force in the system, occupying very much the same position which the "landwehr" and the "landsturm" do in the German system. Later on, in modern times, under Mahomedan and Maratha rule, the Rajputs and Marathas did similar service. It should also be remembered that, throughout this period, the population was armed, and therefore was in a position to supply in an emergency a never-failing reserve of fighting material. Under the rule of the E. I. Company, Government stood in this respect on its own ground, and relied on its own local army. Its military system was organized on an independent basis and was only distantly connected with that of Great Britain. The military situation too was then much simpler than it is now. There were no troubles on the frontiers; there was but little contact with inflamable tribes beyond the Indus. Russia was still cooped up in her Siberian wilds and Khirgiz steppes; the Khanates of Central Asia were beyond the "sphere of her influence." The night-mare of a French invasion, backed up by a vast Mahomedan movement, did, for a time, no doubt, disturb the dreams of the Company's Servants in India, but there was then nothing like the present serious reality of contact with, or unsafe proximity to, a formidable aggresive power immediately beyond the frontiers. After the Mutinies of 1857-58, however, this condition of things underwent a most momentous change. The old Army of the East India Company lost its independent footing; the English and Indian Military Services were amalgamated, and with its incorporation with the English system, our Native Army came to be looked upon as an appendage, and a mercenary appendage of the Army of Great Britain. The British Army, with its British Reserve and British Militia, formed the defensive system of India, (as it forms the basis of the defence of the rest of the British Empire), only assisted by

local native levies. The general dis-armament of the country was carried out as a necessary measure of pacification and permanent security against internal disorder and disturbance, the old native armies of annexed States were disbanded, and the old military aristocracy of the nation was allowed, in British and Native territory, quietly to pass into the general body of the peaceful population. These three measures,—each of which had only a doubtful, and at best temporary, justification in the circumstances in which it was adopted—however contributed, in their total effect, to cut away from under our present native army its old and requisite *local* basis, and left it without a reserve to fall back upon. And thus our native army has come to be now in fact a mere local auxiliary force of mercenaries, kept up only in aid of the Military system of the British Isles, on which in the last resort, India, like every other part of the British empire, excepting of course the favoured Colonies, must for all practical purposes, lean for defence and protection.

We have no intention to exaggerate the inherent evils and inseparable dangers of such an army organization; but we must take leave to be sceptical about its theoretical soundness or practical adequacy to meet the needs of the times. We have every faith in the power of the British navy to guard the coasts of the British Empire, and protect the vast British commerce on the high seas. But as far as the "dim courses" of a possibly near future can be discerned, the land, and not the sea, will, we apprehend, be the principal theatre of conflict and political supremacy, and commercial lordship will be kept in view as the prize to be won by the victor among the contending powers. It is therefore incumbent on British statesmen to inquire whether the land-forces of Great, or even the Greater, Britain in their existing strength are equal to meet such a call as this, or to satisfy the requirements of such an extended empire. It may be also permitted to us with our own dim lights to doubt whether the standing army of Great Britain, with its reserve and militia in the British Isles, can supply us in India at such distance, even with the aid of the local armies, requisite and adequate means of defence in times of a serious or prolonged struggle, and that too, across and in spite of a whole continent armed to the teeth. We cannot believe that in a serious struggle on the N. W. or on the Eastern frontiers with a formidable military power, we can safely count on obtaining needful supplies of drilled or seasoned men from across ten thousand miles of sea. Nor can we depend

on the efficacy of timely recruitment in the country itself, conducted as recruiting is carried on at present. Recruiting is getting already difficult even in times of profound peace, at least we are told so by the highest authorities; and thus we can well imagine what an effort it must cost, and that too with the prospect of possible failure, to keep the Native Army, engaged in the field and employed on garrison duty, up to its normal and requisite strength. Besides, there are special circumstances connected with the present condition of India, to which we cannot afford to shut our eyes. (1) There is first the fact which we have on the authority of Sir R. Temple, namely, that the martial spirit of several Indian races, once famous as warlike and brave, is gradually dying out. Whatever may be the true explanation of it,—whether it is due to the working of the Arms Act, or to the effects of British peace, or to the growing poverty of the people, the fact remains undisputed and has to be reckoned with, particularly in view of prospective difficulties and struggles on the Frontiers with races and powers of first class importance. (2) There is next the difficulty caused by distance from England, which would alone preclude any sanguine hope of timely help in the hour of need. As for the Colonies, with the comparatively undeveloped condition and resources of the settlements in Australia and at the Cape, they themselves will require the protection of the mother-country, and they cannot for a century more at least be in a position to help us. (3) There is further the possibility of complications in Ireland nearer home, and breaking out simultaneously with disturbances on the Indian frontiers. These and such other circumstances cannot be lost sight of. (4) Again, the far-seeing military policy of incorporation adopted by Russia in her Asiatic possessions, which aims at enlisting, on behalf of her hold on Asia and also for the purposes of political expansion, the martial instincts and the military talents of her subject races, this policy requires the most watchful attention of the Government of India. A military *avalanche* might at any time, and "with but little notice", "sweep across the Indus," and overwhelm the peaceful and demartialized provinces of the Indian empire. In the face of these considerations, people very naturally doubt the wisdom of the prevailing arrangements in India that neglect to provide guarantees for safety by timely measures of reform against such a possible, if not a probable, contingency, and seem to take refuge in a "make-shift" addition by which no permanent advantage can be secured, but which will only entail a serious charge on the

poor resources of the country. It is quite clear that the petty arts of official subterfuge, which seek guarantees for safety and defence in the conflicting feelings and interests of race, creed, and class, will ill meet the demands of a serious military crisis on the N. W. Frontier.

These considerations will bring out the true gravity of the mistake committed in our exclusive dependence on a mercenary standing army, without a basis or support in a national reserve or militia, and acting only as an accessory branch of an imperial army located 10,000 miles away. We now ask in all seriousness the question, whether the dangers of such a crisis can be adequately met by the contemplated addition to the standing army. We state it as our firm conviction that mere additions to the numbers, however great, which do not reform the mercenary and exclusive character of our forces, which do not secure to them a reserve in the national sympathies and strength, which do not attract and incorporate into the ranks the flower of our yeomanry, and which do not officer, in part at least, our army by our nobility, will fail to be of the smallest value. We may be permitted to hope that our new Commander-in-chief, Sir F. Roberts, who is both a statesman and a soldier, will not rest satisfied with such a radically defective organization of the military forces of the Indian Empire, but will courageously take up the whole problem of military reform in India, and bring his long, wide, and varied experience, and his high administrative talents, to bear on its solution.

In his speech at the Guild-hall banquet, Lord Salisbury is reported to have said:—"I ask you to remember this, that compared with other nations of the globe, you have a small territory at home, you have a weak Military force, you have a great Empire, with means of sustaining it apparently far inferior to those of the great nations around you, who are constantly increasing their military forces and who have the advantages derived from that concentration of authority according to which all power is placed at the disposal of the central executive, and you meet these nations by this one talisman, the unity of the people by whom these islands are inhabited." We are at a loss to see why his Lordship takes, politically speaking, such a narrow view of the moral "talisman" and basis of the British position in the world. But the language of the conservative ex-Premier seems to us to accurately indicate the theory on which the whole military system of the British Empire professedly stands, of which the British army is the main trunk, and the local

armies, only its side supports or branches. For our own part, we are not much charmed, we confess, either with the theory or the practice of the system which rests on it, and we apprehend that, as far as this dependency is concerned, such a policy is fraught with positive danger. Mercenary armies may carve out empires, but the foreign conqueror can never keep himself in power without nationalizing his means of defence. This is the moral of our position, and it points to the only solution of our difficulties. We believe Mr. Gladstone showed a far keener and juster appreciation of the military situation as a whole, when in a most cautious and statesmanlike speech recently delivered by him in Scotland, he expressed his feelings on this subject in striking and forcible language. Referring to the threatened crisis of last summer on the N. W. Frontier, he said:—"I tremble to think of the position in which we should have stood if Russia had had Afghanistan for her friend, and if we had been there in the condition of persons exercising a foreign domination without cause or warrant in defiance of the sentiment of the country." The warning conveyed in these words spoken by the Liberal Premier,—whose ability, prudence, and moderation were chiefly instrumental in warding off the danger alluded to by him,—not in the hour of panic, or in the heat of excitement caused by an anticipated struggle, but six months after the crisis had passed away, and backed further with all the weight of his high authority and responsible position—the warning, we say, thus conveyed ought to put us on our guard, and dispose us calmly to consider where and how we stand in this the most vital matter of army organisation, and receive with caution all confident schemes of re-construction advanced in reckless disregard of the real wants of the situation. When the Indian tax-payer is invited to bear cheerfully a present additional charge on account of the army, to be strengthened, he is told, by the creation of fresh battalions, he may well ask, before responding to this rather unpleasant invitation, what guarantee is vouchsafed to him, that he will have, if he pays the new tax, his money's worth in return,—a really good system of defence. If we proceed on the lines suggested by ardent military reformers, we may be only building, we fear, a needlessly cumbrous and artificial superstructure on what will prove to be little better than a sandy basis.

The total absence of a reserve and national militia, so necessary as supports for the standing army of the country, is a very serious defect going deep down to the heart, so to say, of

the national system of defence as at present constituted. A good reserve and a good militia are indispensable to our military defence, and this necessity demands, we submit, candid recognition at the hands of our responsible authorities. The truth seems to be slowly dawning on the mind of Government, and there is ground for hope that Sir F. Roberts will, before long, take up this matter with a view to serious action.

Now, as to the practical question, how to form such a a reserve and militia, opinions may differ, and various schemes may be suggested. But there is one important factor which we cannot overlook in the consideration of this problem,—we mean, the condition of the national finances; and no plan could stand any chance of being seriously considered which ignored this essential element and looked only to the military side of the question. Any feasible project that may be recommended must satisfy the condition that it does not compel a resort to intolerable taxation. On this point our ideas are briefly these:—As far as the creation of a reserve is concerned, the end, we think, can be in a large measure attained without much additional expenditure, if a plan be devised by which the armies of our Native States, as well as the English armies of "observation" stationed in Native States to overawe them, can be utilized for the purpose. In the first place the English contingent and subsidiary forces, placed near the capitals of the big Native States, appear to us,—chiefly in view of increased facilities for communication and movement, and the concentration of military forces,—to have no useful function to discharge, and no important object to gain, by continuing to be where they are, and they only involve a waste of imperial military resources. These forces can be formed into reserve regiments for the purposes of imperial defence. Secondly, as to the armies of the Native Princes, they stand on a somewhat different basis. They are mostly *national* armies, with *national* traditions and associations, and have a deep hold on the affections of the people, and on this, if on no other ground, they deserve to have a worthy place assigned to them in the military organisation of the Empire. The disciplined portions of these armies might be drafted into the reserves, and the undisciplined levies might safely be incorporated into the national militia.

The incorporation of these armies with the defensive system of the Empire has a political and moral value of its own, which cannot be over-estimated. But even from a military

point of view, the gain would be by no means small. In point of mere physique and moral fibre, these native armies are fully equal, certainly not much inferior, to the Indian native army, and if equally well-drilled and armed, there can be no shadow of doubt that they would prove equally efficient, as component parts of our Imperial army. No argument is needed to show the glaring impolicy, not to say the injustice, of the proposals for the abolition of these native armies, suggested now and then by shallow political theorists. Nor can we bring ourselves to recognise the wisdom of the present policy which throws away as unserviceable such splendid material as these armies of our Native States can easily be turned into, and keeps them outside the pale of the national system of military forces, in a permanent state of enforced inaction and sullen isolation, particularly at a time of when our military authorities are beating every bush—both within Indian and extra-Indian territory,—for recruits, and are at their wit's end how to increase the military resources of the Empire. Thus the incorporation of both these armies (English and Native), now suffered to waste their strength in a useless round of jealous watchings, with the general military system of the Empire, will be a most valuable reform in the right direction, and the moral effect of utilizing the native armies in the way suggested above would simply be invaluable, as it would confer on the whole military organisation of the Indian Empire the character it sadly lacks at present, we mean, a really *national* character.

As regards the national militia, we do not see our way very clearly towards its reconstruction, but we believe something might be achieved in this direction if the strictness of the Arms Act were relieved, and every encouragement held out to the people to act as volunteers. Certain precautions would be of course necessary at the first start, and the progress must be slow. But the whole arrangement can be carried out, we think, with much ease, at little cost, and with very great gain. The armed Police, with the Native Volunteers, and the undisciplined armies of the smaller Native States, would soon develop into a healthy militia useful for garrison duties.

One or two features more of the existing native army organization require notice, though they are not so important as those referred to in the foregoing observations. Our Native Army is, as is well-known, altogether wanting in one effective arm. It has no Artillery to complement the cavalry and the infantry forces. We have no wish to dwell further on this

point than to say that it is a feature introduced after the Mutinies of 1857-58, as a necessary measure of temporary safety, and has been since then retained with a mistaken view of its necessity, even in the altered circumstances of the general situation of to-day. With this observation, we pass on to a more serious defect, *viz.*, that our Native Army is, almost exclusively in the higher grades, officered by Europeans. The promotion and prospects of the native officer are confined to the most subordinate grades. He begins at the bottom of the ladder, and is allowed to go up only a few steps. He does not rise to independent commands. We do not in this place object to such an arrangement on political or financial grounds, but confining our view to the military aspects of the question, we cannot but consider it extremely faulty. The idea, that a native officer can never safely be trusted with high responsible commands, may be dismissed from consideration as a base calumny. The practical evils of the exclusion of native officers from positions of trust and responsibility may be thus briefly set forth.

(1) Sir H. Lawrence once contended that the native army "affords no outlet for the energies of active officers of superior courage and ability," and the efficiency of the army has to be maintained by the bondage of the salt. There is no inducement to exertion, no stimulus to the display of courage or talent. There is nothing to rouse ambition, and call forth noble effort. Fidelity to the salt is secured; but no higher sense of duty is inspired. The native soldier is thus kept permanently on a low moral level of military discipline.

(2) It is but natural that great disappointment is caused by this unjust treatment of native officers, as compared with their European comrades, in the minds of the more ambitious or adventurous of the native Soldiers, who are thus condemned, under the existing system, to the lower grades of the Service. It is a feeling which cannot be removed by such superficial means as attention to their "comforts" and "amusements and sports," and the continuance of this feeling must be accounted as perilous, in the long run, to the efficiency of the army, and it cannot be safe, we submit, to ignore it or make light of it.

(3) More-over, the present system throws the whole weight of responsibility for the maintenance of discipline and right direction on English officers, who alone are invested with

independent commands, and who therefore alone know how to command and direct. The inconvenience of such an arrangement cannot of course be much felt in times of peace, but will appear to be a most portentous danger at the first serious encounter with a formidable military power. In the hour of trial, a perennial supply of foreign, costly, and imported officers cannot be safely counted on to meet in time the demands of a serious drain, and we may leave it to the military critics to say what would become of the efficiency of an army in the field, however fine and disciplined, if it is not well or adequately officered. Already, judged by the German standard which seems to be a safe standard, it would appear that the Native Army has not a sufficient supply of officers; and how can we be sure that this evil of under-officering the army may not take a very serious form in times of a protracted war, especially when we consider that, in the absence of necessary previous training, no native officer, however old, could be promoted from the rank and file of the Native Army to take command? The necessity of having a larger number of native officers in the army than there are at present should be at once recognized, and with it that of throwing open, in view of possible contingencies, the higher grades of the Service to the native gentry by direct Commissions.

In whatever way we look at the subject of the reform of our Native Army, we thus come to the conclusion that there is no possible correction of the serious defects and consequent evils referred to above, except by elevating the status and privileges of the Native sepoy and officer to a level equal to those of their European comrades.

Before we close this hurried review of the existing state and constitution of the Native Army, we would briefly touch on a question which, though not, strictly speaking, germane to the present inquiry, is closely connected with it. We refer to the question of the Volunteer movement.

The question of the extension of the privilege of Volunteer Service to the natives of the country received during the last year a large measure of public attention. That such a service is a necessary complement of the defensive organisation of a country is admitted on all hands. In countries where conscription is the law, and universal liability to serve is the rule, citizen-soldiership is the basis of the military system, and Volunteer forces have of course no room. But where military

organisations are more or less based on the type of a paid standing army, and there is no compulsory Service, the necessity, or at all events, the great desirability of such forces must be recognised. Volunteer Corps were first organized in England in 1859, and have since then come to be regarded as a necessary component of the British Army. In India too, we have had, since the mutiny years, our small Volunteer Corps. But what is peculiar to this country is that the Indian Corps are composed of Europeans or Eurasians exclusively. The pivilege is thus accorded only to the members of the ruling race, and denied to the native subjects of Her Majesty. This exclusion of the native element from the volunteer system of the country is in our judgment unfair and impolitic, and furnishes a legitimate ground of complaint on the part of the intelligent classes of the community. It seems to cast an undeserved slur on the loyalty of the people, and creates feelings of suspicion and distrust where they ought not to exist, and gives rise to false and unfavourable impressions in foreign countries, near and remote, regarding the relations between the rulers and ruled in India. Further, the natives of the country,—especially the educated classes, whose hearts are being linked by closer and stronger ties every day to the throne of Her Majesty the Queen Empress, and who yield to none of her subjects elsewhere in fervent loyalty to her rule,—are beginning to think that they have a right, a moral and a constitutional right, to claim the full privilege of British citizenship, and to ask to be allowed to share equally with Her Majesty's British subjects the honors and toils of citizen-service. Such are the new-born feelings and new-sprung aspirations among the higher sections of the native community, and we need hardly point out that there is an obvious political advantage in enlisting these feelings and these aspirations in the cause of national defence, especially when the military necessities of the Empire render such enlistment highly desirable.

Such in brief outline is our view of this complicated question of Native Army reform. We are fully pursuaded that the existing system of army organisation is not as it ought to be, and requires a thorough recasting. Our proposals may be summed up thus:—

(1) That the Native Army should be made as *national* as possible in composition, tone, and character. The present policy of foreign recruitment is in many respects a grievous wrong, and must be abandoned. Recruiting in extra-Indian

countries, such as Beloochistan, should be strictly prohibited, and the available fields within the country itself should be improved. Lastly, the pay and prospects, the status and privileges, of the Native sepoy and officer should be raised in order to draw to the army some of the better elements of native Society..

(2) That a strong reserve and national militia be created as necessary supports of the standing army, partly by utilizing the armies of our native Princes, as well as the English armies stationed in their territories, and partly by relaxing, under suitable precautions, the rigour of the Arms Acts.

(3) That the higher grades of the military service be thrown open to native ambition, both in order to provide more officers for the Army than it has at present, and also to attract to the Service the upper classes.

(4) That the Native Army be made complete in all arms.

(5) That the Volunteer movement be encouraged.

These are some of our proposals on this subject. In conclusion we would most earnestly beseech the consideration of Government to the point, whether, in dealing with this most vital question of Army reform, the time has not arrived for the adoption of a more liberal policy of "trust in the people" in military matters than has hitherto prevailed. A truly generous recognition of the loyal sentiments of the nation, and a statesmanlike appreciation of the military and political necessities of the new situation with which we are now called upon to deal, seem to us to call loudly for a change of policy. For our own part, while fully recognizing the fact that foreign rulers can not afford to forget the fact of conquest, we must express our deep and strong conviction that a comprehensive *reform* in the Army organisation on lines suggested above is, in the interests of both rulers and ruled, at once both more desirable and safe than an *arithmetical addition* to the existing numbers of the standing army, and if financial considerations are allowed their due weight, such a reform is the only alternative open to Government.

For, it is no use to forget that the whole question has a financial aspect, though, for obvious reasons, we have not touched upon it in the foregoing pages. Our Army-budget is already ruinously heavy, and to judge from the remarks of Sir A.

Colvin in the Financial statement of March last (Para 76), these army charges might possibly swell, in case, " apprehensions " therein fore-shadowed, " of fresh demands for further increase " in the military estimates, should be realised. This is a feature which Government cannot with safety ignore. for economy is the true key of sound finance, and must not be neglected in the military, any more than in the other branches of the Public Service. Our Army expenditure has gone up by leaps and bounds during the last 20 years of profound internal peace, from 15½ milions in 1865 to close upon 21 millions in 1885—a charge on our " resources " already larger by no less than 6 millions per annum, than the corresponding charge on the English Exchequer for the British army. In fact, it appears to be the largest military charge borne by any civilized country in the world, if we only except France ; for on comparison we find that, while we have to pay for our Military establishments more than 21 millions a year, the German Army costs in round figures £ 18,800,000, the French Army about £ 22,800,000, the Italian Army about £ 7,300,000, the Austro-Hungarian Army about £ 14,000,000, including the cost of the local militia, the Russian Army about £ 19,000,000, while the United States army costs not more than £ 8,000,000. The cost of the English Army itself, including the Reserve and Voluntary Forces, does not go higher than 19 millions. And yet though we bear ungrudgingly and unmurmuringly a *maximum* outlay on account of the Army, as compared with the other civilized nations of the globe, we are compelled, under our present system of organisation and management, to be content with a *minimum* of effective forces. For the whole of our Army, European and Native, maintained at a cost of 21 millions, shows a total of men and officers not larger than 189,597—a strength manifestly inadequate to the growing necessities, internal and external,—of the Indian Empire, and one which is, besides, utterly *incapable of expansion* in the hour of need for the purpose either of offence or defence, except by a resort to wasteful recruitment, or drafts on the English Reserve 10,000 miles away. The European nations can, in consequence of the excellence of their organisation, raise their armies at short notice to any required strength to meet the demands of national defence. For the sums above mentioned, Germany keeps an army of 420,000 men on the peace-footing, with an organisation capable of raising it to 1,300,000 in time of war ; France, an army of 500,000 men, which may be increased in the hour of necessity to a total of 2 millions ; Italy an army of about 200,000

men, without reserves, capable of being raised to about 4,500,000 ; Russia, an army of nearly 800,000 men in peace, and 1,200,000 more in time of war ; and Austria-Hungary an army of 270,000, capable of raising its numbers in time of war to nearly 800,000 ; while with our military outlay of 21 millions and more, we cannot raise our army, in the our of need and peril, even by a single battalion of seasoned soldiers, except by importation from England ! This is, in our judgement, an awful fact which we must not shirk looking fully in the face. A system of army organisation—so inexcusable and dangerously inefficient, and so ruinously and extravagantly expensive,—cannot certainly be described as sound and economical, and if we wish to have an efficient and economically managed army for purposes of national defence, a reform of our present system seems imperatively called for. Any addition to our present military strength, consequent on the contemplated increase of the standing Army, if unaccompanied by improvement of the system, would be sheer waste of money and resources, against which the Indian tax-payer, we submit, has a right to protest.

PROPOSED REFORM IN THE SYSTEM OF TRIAL BY JURY.*

Trial by Panchayat was an immemorial and dearly-cherished indigenous institution of the land. The deep political debt we owe to it, as a struggling nation during our long and much-chequered historic past, cannot, and ought not to, be forgotten.

Trial by Jury is an analogous institution of still greater value. As Mr. Amos justly observes in his "English Constitution" (p. 92), "this institution is one of those which it is the custom of Englishmen to prize more than almost any other." It is rightly viewed as one of the main-stays of English liberty.

In a country like India, the political value of Jury trial cannot be exaggerated. It is as essential as any other free institution to solid and regulated progress in political freedom. It is an indispensable complement of Local Self-Government, and an equally, if not a more, necessary part of the national apparatus of political education, required to give the people a practical training in public duties by compelling them *nolens volens* to take a daily and active share, on a footing of responsible independence, in the administration of the laws. Looked at from this point of view, the question relating to its extension in this country, far from being a question of merely provincial or local interest, is eminently one of national importance in its bearings, and is, in our judgment, worthy of a more prominent place in the deliberations of the coming National Congress at Madras, than it occupied in the deliberations of the Calcutta Congress last year.

We shall begin with a brief review of the position of the question as far as our information extends and space permits.

The Criminal Procedure Code of 1862 marks the starting point in the history of the Jury System as it obtains in India. The eminent English jurists who were the framers of that Code, rising superior to the narrow prejudices of the Indian bureaucracy, and guided by their English experience, approached the question from the point of view of practical statesmanship and

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deemed it expedient to give a political institution of such uncontested value as the Jury System a fair trial in India. The experiment was a new one, and had to be conducted under the somewhat peculiar conditions of foreign rule. Very naturally under these circumstances, the question of introducing Jury trial was rightly regarded as one of practical administration, and the scope and other details of its working had therefore to be left entirely to the executive discretion of the local authorities, like the kindred question of Local Government a decade or two after.

Accordingly under the Code, large discretionary powers were conferred upon the Local Governments in respect of the new reform. They were empowered :—

(1) To "direct by order in the official Gazette that the trial of all offences or of any particular class of offences before any Court of Session, shall be by Jury in any District, and to revoke or alter such order."

(2) To delegate to their District Officers the task of preparing lists of jurors according to their judgment, from which no appeal should lie, and no qualifications, and no property, educational, or other tests, were laid down in the Code.

(3) Within certain limits, to fix the number of Jury-men in Sessions trials. "In trials by Jury before the Court of Session, the Jury shall consist of such uneven number, not being less than three or more than nine, as the local Government by order applicable to any particular district, or to any particular class of offences in that district, may direct."

In the absence of any provision to the contrary, the system of trial by Jury had to be put in force and worked on the broad basis of the municipal law of England.

The Local Governments necessarily proceeded in a most cautious and tentative manner in the exercise of the new powers thus entrusted to them under the Code.

The Bengal Government was the first to move in the matter, and led the way, as indeed befitted the Government of a province, the oldest in the date of its acquisition, and there-

fore, the longest in close contact with the liberalizing influences of an advanced civilization. Its action was at once liberal and courageous. By a Resolution, dated 7th January 1862, it ordered the introduction of trial by Jury into seven Districts [viz., the 24 Parganas, Hooghly, Burdwan, Murshidabad, Nuddea, Patna and Dacca] in respect of a limited number of offences (included in chapters VIII, XI, XVI, and XVII of the Penal Code). By subsequent Resolutions, offences under chapter XVIII were added to the list, and trial by Jury was extended to abetments of, or attempts to commit, these offences. In March, 1862, *all* trials in the courts of Sessions in *Assam* were ordered to be by Jury.

Then followed Madras, but at a considerable distance, and in a more hesitating manner. Here, the system was introduced also into 7 districts, namely, Chingleput, Cuddapa, Rajmahendry, Tanjore, Tranquebar, Cuddalore and Vizagapatam ; but its sphere of operation was much more restricted than in Bengal. *Thefts*, *Receiving* stolen property, *Dacoity*, *Robbery*, and *House-breaking* were the only classes of offences, which the Local Government declared to be triable by Jury.

Next came Bombay, with its narrow bureaucratic jealousies. One and one District only was selected for the trial of the system, and that was Poona. By a Notification dated November 1, 1866, criminal trials in the Sessions Court at Poona were ordered to be by Jury. No other district, not even Satara, was deemed worthy of the privilége, the fact being wholly ignored that in no other Province of India had the Panchayat system been more developed, more vigorously worked, and better appreciated than in the territories lately under the direct administration of the Peishwas. What a change of attitude on the part of the Provincial Government since the days of Mountstuart Elphinstone with his Bombay Regulations of 1827 which contemplated the use of Jury trial even in Civil cases !

The other Governments took no action in the matter.

Such was the state of things down to 1872. The new Criminal Procedure Code of that year was the work of Sir Fitz James Stephen, and marked an important departure and a slightly retrograde movement. While, under the old law, the traditions of English jurisprudence had been boldly followed and the verdict of a free Jury was accepted as a final decision even in cases when the Judge disapproved of it, under the amended Code a remedy was proposed with a view to set right perverse

verdicts. Sec. 307 of that Code provided a statutory safe-guard against the supposed risk of the miscarriage of justice, incidental to trial by Jury on the English model, by investing the High Courts with the powers of review and revision in cases in which "the Sessions Judge disagrees with the verdict of the Jurors, or of a majority of the Jurors, on all or any of the charges on which the accused has been tried, so completely that he considers it necessary for the ends of justice to request their intervention." This provision in the Code of 1872 was evidently intended to meet the objections of those who were dissatisfied with the working of the Jury in India as a judicial institution, as well as of those who, in common with many distinguished Jurists in Europe and America, were opposed to it on general grounds. The possible chance of a failure of justice was thus taken away, and the line was cleared for the extension of the system; *no excuse was now left to the provincial Governments for with-holding this privilege, on grounds of administrative safety and the interests of pure justice, from any but the most backward communities within their local jurisdictions.*

Here, it must be acknowledged that the Imperial Legislature rose to a rare level of truly large-minded statesmanship. The results of the working of the Jury during the ten years previous in those parts of the country where it had been introduced, were by no means, in the opinion of the Judicial authorities, either favourable or encouraging, but the Supreme Government refused to look upon the system merely in the light of a *judicial* institution, and to abandon the experiment of such *political* interest and promise, simply on the ground of administrative inconvenience and a possible but avoidable risk of failure. Administrative inconvenience was felt to be apparently inevitable, but all possible chances of failure of justice could be, and were, obviated in the new *Code*. The amendment which compelled reference to the High Courts in cases in which "the ends of justice" should require it, no doubt increased the work of the High Courts, and to some extent diminished the independence of the juries; but the system, even when so modified in its Judicial character, retained all its political value unimpaired, and the Supreme Government was content, possibly at the cost of some administrative inconvenience, to let it work more as a *political* than as a *judicial* institution. Full reliance was, however, placed upon the discretionary judgment of the subordi-

mate Administrations, who retained all the old powers of defining the class of offences, and naming the districts and the tribunals where the trial was to be by Jury.

The High Courts also were fortunately in complete sympathy with the liberal views and intentions of the Supreme Legislature in the matter. They were determined to give the system a fair trial as a *judicial* institution, quite as fully as the Government of India were prepared to allow it to work as a means of *political* education, and took frequent opportunities to declare that, though armed with large powers of interference and revision in respect of Jury trials under the new Code, they would do nothing, as far as in them lay, likely to impair its judicial utility. In the case of *Khanderao Bajeerao* I. L. R., 1 Bom. 10, the Bombay High Court made the following remarks :—(Vide Prinsep's Criminal Procedure Code, p. 82.) "It is a well-recognised principle that the Courts in England will not set aside the verdict of a jury unless it be perverse and patently wrong, or may have been induced by an error of the Judge. We adhere generally to the principle, notwithstanding our large discretionary powers, first on the constitutional ground of taking as little as possible out of the hands to which it has been primarily assigned by the Legislature, and secondly because any undue interference may tend to diminish the sense of responsibility. * * * When juries know that they are liable to the scrutiny and supervision of this Court, they will feel the necessity of exercising conscientious deliberation in arriving at their verdict."

Such being the intention of the Legislature, and such the declarations of the High Courts, there clearly stood nothing in the way of the Local Governments giving the greatest possible extension to the Jury system in their respective Provinces, except the usual bureaucratic jealousy of popular liberty and free institutions.

The Governments of the N. W. Provinces, Punjab, and the Central Provinces, at once availed themselves of the new opportunity, and proceeded to take liberal action in the matter. In 1873, the Central Provinces Government introduced trial by Jury into 5 districts, namely, Nagpur, Jubbulpur, Saugor, Raipur and Hoshangabad; the Punjab Government went further, and extended the system to 7 districts, viz., Lahore, Delhi, Rawalpindi, Peshawar, Umballa, Multan and Sealkot.

We have no information as to what further action the Bengal Government took after the passing of the Code of 1872.

In Madras, however, the Local Government, in the exercise of its discretionary powers, saw fit, instead of enlarging the sphere of Jury Trial in that Presidency, to reduce the number of its Jury Districts from 7 to 5. In the "Standing information regarding Administration" in Madras, revised edition for 1879, we read.—"as yet the Jury system has not been extended beyond the five Districts of North Arcot, Cuddapa, Godavari, Tanjore and Vizagapatam, and in the latter case only to part of the District, as it is difficult to procure the services of a sufficient number of qualified persons in the other Districts." The restrictions imposed in 1862 upon the operation of Jury-trial were maintained, and we are told:—"The crimes triable by juries are theft, robbery, gang robbery, house-breaking, receiving stolen property; and it is to this careful selection of offences that the measure of success hitherto attained is chiefly attributable." While it is impossible to agree with the Madras Government, and endorse the wisdom and necessity of its policy of maintaining those limitations as regards the classes of offences to be tried by Jury, till further experience should suggest their removal, we are free to admit that there might be some justification from the official point of view for such a course. We are unable, however, to understand the grounds on which the Madras Government deemed it expedient in the interests of the judicial administration to curtail the geographical area of the Jury system. In this connection, however, we must take note of the fact that about this time we find a change of front in the grounds of objection urged to the extension of trial by Jury. Before 1872, the favourite objection urged against it was grounded on apprehensions of failure of justice due to the incompetence, inexperience, or deliberate perversity of the mofussil juries; after the passing of the Code in 1872, which took away the force of this objection, the Jury system was opposed on the ground that it was difficult "to procure the services of sufficient number of qualified persons" in many parts of the mofussil. Further, as bearing on the reasons given by Madras Government for not extending the Jury system, we cannot shut our eyes to Section 321 of the new Code, under which the selection of jurors was entirely left to the absolute discretion of the local authorities;—"The Sessions Judge and the Collector of the District or such other officer as the Local Government appoint in this behalf, shall prepare and make out in alphabetical order a list of persons liable to

serve as jurors or assessors, and qualified in the judgment of of the Sessions Judge and Collector or other officer as aforesaid to serve as such." The powers here-in conferred were large, and we cannot but think that they must have been most stringently exercised, when we read the Local Government's declaration in 1879 to the effect that it was unable to find a sufficient number of persons qualified to serve on the Jury beyond the limited area of 5 out of its 21 executive Districts, after 20 years and more of the tolerably successful working of the system of trial with Assessors, and of the still more successful working of the Education Department.

In Bombay, we have no advance to record, after the passing of the Code of 1872 almost down to 1882. The Local Government was apparently not satisfied with the working of the Jury in Poona, and did not think it right to extend it to other Districts, even though the ground of objection on the score of the alleged risk of failure of justice was entirely taken away under the new Code. Nay, its action in this matter was somewhat of a retrograde nature. By a Resolution dated December 9th, 1873, it adopted the Bengal arrangement regarding the restriction of offences to be tried by Jury and ordered that "the trial by the Court of Session of Poona of all offences (provided for under Chaps. VIII, XI, XII, XVI, XVII, XVIII of the Penal Code) for which the punishment awardable is death, transportation for life or transportation or imprisonment for 10 years and upwards shall be by Jury in the Poona District." By a subsequent Resolution two years later (1875), the list was only slightly extended.

The Code of 1872 was again amended in 1882 but it did not disturb the *status quo ante* in regard to this question. The discretionary powers, conferred upon the Local Governments in respect of the extension and working of the system, were left untouched. The subject, though of such vital moment to the political progress of the nation, did not receive its due measure of attention at the hands of the Supreme Government. No inquiry was instituted as to (1) the way in which the Local Governments exercised their powers, (2) the advance achieved during 20 years since 1862, and (3) the results of the experience so gained. The official attitude of watchful distrust and scarcely concealed opposition to the system as a *political* more than as a *judicial* institution was over-looked, and the

Supreme Government, reposing full confidence in the liberal views of the subordinate Administrations, was content to leave the matter in their hands as before.

In 1883, however, the subject forced its way to the front, during the burning controversy over the Ilbert Bill. Lord Ripon in one of his concluding speeches on that Bill, in which he addressed an impressive appeal to his native colleagues in the Council to accept the compromise proposed by Government, had occasion to incidentally notice this question of the system of trial by Jury, and assured the public that the Local Governments would be liberal in exercising their powers in connection with the extension of the Jury system in general. The compromise was agreed to early in 1884, and under it the European British subjects of Her Majesty in India were allowed their native privilege of trial by Jury. But though nearly four years have elapsed since this assurance was given, Bengal and Bombay are the only Provinces which have profited in any measure by the assurances of the late Viceroy. We have no information as to what extension the Bengal Government has given to the system in its Provinces, but we learn on good authority that it is considerable, and, what is more, that its attitude on the question is one of liberal sympathy. We regret, we cannot speak in similar terms of praise of the action of our own Local Government in the matter.

The Government of Sir J. Fergusson, who not unjustly claimed the credit of having suggested the final compromise on the Ilbert Bill on the basis of the further concession of Jury trial in Magisterial cases, thought it necessary to take some action in regard to the matter, more with a view to avoid the charge of inconsistency than with any other objects. Accordingly the local Government issued a Resolution dated September 16th, 1884, by which it was ordered that "in the *Ahmedabad*, *Belgaum*, and *Surat* districts and in the city of *Karachi*, the trial before any court of Session of all offences punishable with death, transportation for life, or transportation or imprisonment for 10 years and upwards, shall be by Jury." The Resolution was to come into force from March 1885. By another Resolution, dated 8th December 1884, trial by Jury was extended to the Thana district.

Here, no doubt, there was a considerable extension given to the system of the Jury in the Bombay Presidency. Besides the city of Karachi, it was introduced into 4 new districts, and

adding Poona to the list, we have the Jury system in work in 5 districts in all. But still, we are left much to the rear of several other Provinces in this respect, and considering how ahead we are in educational, political, and other activities generally, we have good reason to complain of the meagre progress thus far achieved. The Bengal Government is moving forward with a firm and courageous step, and it is hardly excusable for authorities in Bombay to hesitate and falter and lag behind.

On closer analysis, however, the extension given by the Government of Sir James Fergusson to trial by Jury in Bombay is found to be less substantial than it at first sight appears. By a resolution dated 29th April 1886, modifying the Resolution of 16th September 1884, it was ordered that "in *Ahmedabad*, trial by Jury shall be limited to offences punishable with death." We are afraid that this restriction of offences to be tried by Jury leaves that District only the shadow without the substance of this great agency of popular education. The limitations imposed in Thana, Surat, and Belgaum are only a shade less stringent and take away from the Jury much of its value.

This restricted selection of offences triable in the Sessions Court by Jury, made by the Local Government in pursuance of the discretionary powers vested in it by Sec. 269 of the Criminal Procedure Code of 1882, appears to us objectionable on more grounds than one. With the safe-guard of a reference to the High Court no room was left for apprehending failure of justice, and the illiberal restriction referred to above could only have been dictated more by considerations of administrative convenience than by any regard for the progress of the nation. In restricting trial by Jury in Ahmedabad to offences punishable with death, and in Surat, Thana and Belgaum to such as are punishable with death, transportation for life, or transportation or imprisonment for 10 years and upwards, the Local Government seems evidently to have consulted in a larger degree the convenience of the High Court, and sought to minimize its work of revision and review in jury cases referred for its interference by the Sessions Judges, than the interests of the public which required an anxious solicitude not only for promoting the highest political education of the country but also inspiring public confidence in the Judicial administration. Such a limitation of the area of trial by Jury had the effect of withdrawing the bulk of criminal business done in the Sessions Courts from the cognizance of the juries and reducing, almost

to the lowest point, the occasions on which juries had to be summoned. Such a policy argued on the part of the Local Government a most inadequate appreciation of the value of the Jury system, which, as De Toqueville in his "Democracy in America" page 288 so rightly urges, depends very much on the *frequency* with which it is allowed free scope of action. Further, such restrictions had not even the justification put forward by the Madras Government in defence of its selection of offences triable by Jury, viz., that it was necessary to begin with the lesser and minor classes of offences in order to familiarize the mofussil juries with the operation of the new system, before entrusting to their untried hands the cognizance of the more serious ones.

Similarly, in choosing the new Districts for the extension of the system, the local Government appears to us to have been influenced rather by geographical considerations than by consideration of the political fitness of the people in the areas selected or excluded. No body who knows the different parts of the Bombay Presidency can for a moment maintain that Districts like Satara, Nasik, Sholapore or Ratnagiri are a whit behind Belgaum or Thana in point of public spirit or public intelligence, and therefore deserved to be kept out of the Jury pale within which the latter were admitted.

The difficulty of finding a sufficient number of persons qualified to serve as jurors is here, as in Madras, often pleaded as a reason for withholding this boon from the Districts which still do not enjoy this privilege, and the plea has perhaps as little basis in fact in this as in the so-called benighted Presidency.

On the whole the recent action of the Bombay Government in giving a considerable extension to the Jury system in this Presidency, after giving it all the praise it deserves, betrays, in our judgment, a narrowness of views and an unworthy, unsympathetic spirit of distrust in connection with this reform of which we are entitled to complain.

From the foregoing hurried review of the position of the question, it will, we trust, appear that the Provincial Governments, except perhaps the Bengal Government, have not dealt with it in a manner either satisfactory or encouraging to the public. The attitude of the Provincial bureaucracies on the subject cannot be mistaken. Clearly it is not one of "watchful suspense" or of sympathetic anxiety but one of narrow-

minded distrust and autocratic jealousy. The progress achieved during the last 25 years in this direction is so small in the different Provinces that it does not encourage any large hopes for the future, should the *status quo* be maintained and the discretionary powers in respect of it be continued to the Provincial Administrations as hitherto. The whole question, however, is too important to be so lightly dealt with.

Trial by Jury is regarded both in Europe and America as an institution of inestimable value, whether regarded from the judicial or from the political point of view. Its value is all the greater in a country like India only recently rescued from the irresponsible and repressive absolutism of centuries. It is eminently one of those free institutions which go to build up and consolidate a people's political liberty and confirm the foundations of its progress. Nothing evidently is so well calculated, in the peculiar conditions of British rule in India, to perfect and strengthen the broad basis of the British power as well as to level up the immense populations under its sway, as the policy of associating the people, to the widest possible extent and on a footing of well-regulated responsibility, in the *carrying out of the laws* as well as in the *making of them*. Regarded from this stand point, the extension of the Jury system coupled with the development of Local Self-Government seems to us as necessary and desirable, as the expansion of the Legislative Council on an elective basis.

The institution is viewed by constitutional writers more as a *political* than as a *judicial* one. "To look upon the Jury" says De Toqueville in his "Democracy in America," (Vol. I. p. 286), "as a mere judicial institution is to confine our attention to a very narrow view of it; for, however great its influence may be upon the decisions of the law courts, that influence is very subordinate to the powerful effects which it produces on the destinies of the community at large. The Jury is above all a political institution, and it must be regarded in this light in order to be only appreciated." The same eminent writer proceeds to describe some of its political effects in these words:—It "raises the people itself or at least a class of citizens to the bench of judicial authority," it "serves to communicate the spirit of the judges to the minds of all the citizens; and this spirit, with the habits which attend it, is the soundest preparation for free institutions;" it "imbues all classes with a respect for the thing judged, and with the notion of right;" it "invests each citizen with a kind of Magistracy" and

"makes them all feel the duties which they are bound to discharge towards society and the part which they take in Government." "By obliging men to turn their attention to affairs which are not exclusively their own, it rubs off that individual egotism which is the rust of society." "The jury contributes most powerfully to form the judgment and to increase the natural intelligence of a people, and this is, in my opinion, its greatest advantage." It is "one of the most efficacious means for the education of the people which Society can employ."

These remarks of De Toqueville on the subject sufficiently set forth the great political and educational advantages of the Jury system, and their peculiar applicability to the conditions of political advance in India will not be, we trust, contested. Looking with that eminent French statesman and writer, upon the institution as one of the most efficacious and powerful instruments of political education and of sustained, regulated and well-ordered progress in freedom, we would advocate its extension in this country to the widest possible extent attainable under the circumstances. We submit that this question of its extension is one of *Imperial* importance, and cannot be safely or conveniently left to the capricious or narrow-minded discretion of the subordinate Provincial Governments. We would, therefore, venture to recommend that, though essentially and practically a question of administrative reform, it should be taken up by the Supreme Government and dealt with in a comprehensive spirit of liberal statesmanship which we cannot expect from the Provincial Administrations, as the kindred one of Local Self-Government was taken up and dealt with by the Government of Lord Ripon in 1882 after it had been left for full 30 years and more in the hands of the Local Governments. This jury-question, which is one of special importance in a backward country like India, derives its special significance from its peculiar educational feature, namely, that while every other agency of political and moral education is more or less permissive and optional in its character and is somewhat restricted in its scope, the Jury system, as an agency of political and moral education, involves the element of general statutory compulsion in regard to the association of the people in the administration of the Laws. The vulgar prejudice, which looks upon the co-operation of the Jury as in any degree diminishing the power and moral hold of the constituted Magistracy of the State, may be discarded from our mind as ignorant and unworthy. As De Toqueville observes, "the Jury, then, which

seems to restrict the rights of Magistracy, does in reality consolidate its power, and in no country are the judges so powerful as there, where the people partake their privileges."

With these observations, we will proceed briefly to indicate in a rough and general way the lines, on which, we think, the Congress might usefully recommend to the Government of India that further action should be taken in respect of this most important and urgently called-for reform.

(*1st*)—We would suggest that the whole question should be withdrawn from the sphere of *Provincial executive administration*. The discretionary powers vested in the hands of the Local Governments by Sections 269 and 321 of the Criminal Procedure Code would have to be largely curtailed. The choice of Districts for extension of the Jury, the selection of offences triable by Jury, the nomination of jurors,—these should no longer be left, in our opinion, to the practically uncontrolled and irresponsible discretion of the Local Executive, but should be provided for by statute. This would necessitate the repeal of Section 321 and a large modification of Section 269.

(*2nd*)—Section 307 of the Criminal Procedure Code is a very useful Section, and providing as it does a necessary safe-guard against the judicial risk involved in the working of the system, should, in our view, be left untouched. It adds no doubt to the work of the High Courts and causes considerable administrative inconvenience, which is, however, to some extent inseparable from the working of the experiment in India under the present circumstances. It further tends also to detract from the judicial utility of the institution. But both the administrative inconvenience and the judicial disadvantage are far out-weighed by the political value of the system, which therefore deserves to be given a fair trial with due safeguards against failure.

This statutory safe-guard against the judicial risk incidental to the working of the Jury system, as provided for in Sec.

307 being maintained. the widest possible extension should, we think, be given to it in the mofussil. The "inestimable privilege" should not be with-held from any but the most backward communities, and we would recommend its extension throughout the Regulation and Non-Regulation Provinces, the so-called "scheduled" Districts alone being for a time kept out of the Jury area till they are brought more fully than now under the Regulation system.

As regards the selection of offences to be tried by Jury, we would suggest the Madras arrangement at present in force as a convenient and safe minimum to start with in backward Districts, while in the case of more advanced Districts the Bengal plan would, in our opinion, be the best. Whatever the arrangement adopted, all that we would insist upon in this connection is, that the *minimum* area of its operation should be fixed by the Legislature instead of being left as now to the discretion of the Executive Governments. Further extension of that area might be entrusted to the High Courts or the Local Governments as convenience might suggest. The principle should be, however, steadily kept in view, namely, that the wider the operation area of jury-trial, the greater the frequency with which jury-trials take place, and that the larger the sphere of civil transactions, social relations and interests that come under the cognizance of the juries, the greater the usefulness of the institution.

Finally, the nomination of jurors suggests a question at once difficult and important. The privilege of being a juror is a justly valued privilege, and the choice of its recipients should not in our opinion be left, as under the present Criminal Procedure Code Section 321, to the arbitrary will of the local Executive authorities. It should be rather dependent upon definite qualifications statutorily fixed, which the people can understand and regard as giving a statutory claim to it. De Toqueville's remarks on the point (Vol I. pp. 287-8) are worth quoting :—"The Jury is pre-eminently a political institution ; it must be regarded as one form of the sovereignty of the people ;

when that sovereignty is repudiated, it must be rejected, or it must be adapted to the laws by which that sovereignty is established. The Jury is that portion of the the nation to which the execution of the laws is entrusted, as the Houses of Parliament constitute that part of the nation which makes the laws; and in order that society may be governed with consistency and uniformity, *the list of citizens qualified to serve on juries must increase and diminish with the list of electors.* (The italics are ours). This, I hold to be the point of view most worthy of the attention of the legislator, and all that remains is merely accessory." In America every "citizen is qualified to be an elector and a juror." The qualifications of jurors in England are thus set forth in Amos's "English Constitution" (page 94):—

"*Grand* jurymen must be free-holders—that is must have an estate in land for life at least—resident in the country."

"*Common* jurymen and *special* jurymen must have the following qualifications:—

(1). They must be between the ages of 21 and 60.

(2). They must have either 10 *l* a year in land free-hold; or 20 *l* a year lease-hold, for 21 years or a longer term; or be house-holders rated for the support of the poor, or (in Middlesex) pay "house-duty" on not less than 30 *l*."

Here, in India, we may go further and insist that it is essential to the good working of the system, at least in the initial stage, that qualifications should be imposed, calculated not only to ensure independence, but also a certain amount of intelligence and culture, in the person claiming to be put on the Jury. We would, therefore, suggest that *property* as well as *educational* qualifications might be statutorily attached to the privilege of being a juror. He who proves that he possesses those qualifications should be able to claim it as a matter of legal right. This qualification might be tentatively proposed as follows:—(1) A juror should be a house-holder, paying a certain amount of municipal or imperial taxes, or an occupier paying a certain amount of rent, or a land-owner or lease-holder

possesing free-hold or lease-hold of a certain amount, &c. (2) He should have passed some educational test recognized by Government in Vernacular or English.

Under some such arrangement, we have no doubt that jurors can be found in sufficient numbers in most of our mofussil Districts, and the chief difficulty now urged in connexion with the extension of the Jury system would be removed; but, above all, the invaluable privilege of serving on the Jury would be made a matter of legal claim, dependent on certain well-defined conditions intelligible to all, and within the reach of all, instead of continuing (as at present under Sect. 321) a favour in the gift of the Local Executive Officers.

These are briefly the lines on which we would recommend further action in this matter of Jury extension.

Here, we conclude these hurried observations on this important question with the expression of a hope that it may not be deemed unworthy of the attention of the coming Congress at Madras.

STATEMENT

Submitted to the Royal Commission on Decentralization.*

The problem as proposed in the Reference is:—

(i) How can the relations as at present existing for financial and administrative purposes

(*a*) between the Supreme Government and the various Provincial Governments in India and

(*b*) between the Provincial Government and the authorities subordinate to them

be simplified and improved by measures of decentralization or otherwise, and

(ii) (*a*) how can the Executive Government be brought into closer touch with local conditions and

(*b*) the system of administration better adapted—without its strength or unity being in any way impaired, to meet the requirements and promote the welfare of the people?

The people's good is the supreme end; and its most effectual promotion, the one ultimate test which any scheme of administrative change that may be proposed must satisfy.

We would begin with a brief survey of the position as we find it.

On a general view of the existing administrative arrangements,—among the broad features that stand out in clear relief may be noticed the following:—

1. As things are, there is absolutely no popular control provided under the constitution of Government in India over the general administration of the country;

2. The only constitutional control that at present exists is that vested in the Government in India—under the Charter Act of 1833, Sections 39 and 65;

* This Statement was submitted to the Royal Commission on Decentralization on 12th March 1908, on behalf of the Poona Sarvajanika Sabha.

3. And, under such central control exercised by the Government of India, the whole administration is coming to be characterized by a degree of centralization which has perhaps no parallel in contemporary experience, involving an undue weakening of the position and authority of the Local Governments;

4. The actual work of the administration shows a growing preponderance of what may be termed the "Departmental element";

5. And as one consequence of such Departmental predominance and centralization of work, there is a general weakening of the District Executive; and

6. Lastly, there is the disastrous decay of the village system of the country—the pivot of the administrative organisation.

As a broad result, we find:—

The administration is more or less out of touch with local conditions—irresponsive to public sentiment—and comparatively ineffective for the accomplishment of the one object for which it exists—viz., the most effectual advancement of the well-being of the people.

A few remarks on these several points may be permitted.

(1) First, as regards *popular control*:—

(*a*) We have at present eight Legislatures in British India—the Supreme Legislative Council and seven Provincial Legislative Councils, the C. Provinces alone being still without one. In none of these, however, have we anything like an effective representation. Our elected members are everywhere in a hopeless minority.

In these Councils, the annual Budgets are presented, and discussed but not voted, and no amendments are permitted to be moved.

The right of interpellation is allowed, but it is not permissible to move propositions in Council on any matters arising out of the official replies.

(*b*) So again we have three Executive Councils—the Executive Council of the Governor-General and the Executive Councils of the Governors of Bombay and Madras. But we have no representatives of our own on any of these Councils.

(*c*) There are also in Madras, Bengal and the United Provinces of Agra and Oudh, Boards of Revenue exercising considerable power of administrative control. But they are purely official bodies and without popular representation.

And, thus, as a net result,—after more than a century of British rule with a free press, Western education, Western contact and other liberalizing influences at work—we the people of the country are as yet absolutely without any determining voice in the management of our own affairs or any measure of control over it.

An entire absence of popular participation and control—such as exists in all progressive and self-governing states,—this is the root-evil of the present system of Government in India, which goes far to explain its comparative failure to fulfil the purpose for which it is intended—the promotion of the people's welfare. And so long as this fundamental evil remains untouched and unrectified, no mere re-adjustments of the various parts of the administrative machinery—and no mere re-distribution of power and responsibility as between the Supreme and the Local Governments on the one hand, and between the Local Governments or the authorities subordinate to them on the other—under an administrative scheme of devolution—no matter how perfect, can suffice to inaugurate any real improvement in the situation.

In the absence of any constitutional provision for popular control, the control of the entire administration of India is by law vested in the Governor-General in Council. The Government of India Act, 1833 (3 and 4 Will. 4, c. 85) Sec. 39 provides—

" The superintendence, direction and control of the whole civil and military Government of all the said territories and revenues in India shall be and is hereby vested in a Governor-General and Councillors, to be styled ' the Governor-General of India in Council.' "

The Governor-General in Council is responsible for the entire administration of British India and for the control exercised in varying degrees over the Native States. The actual work of administration, however, is divided between the Government of India and the Local Governments, and falls into two distinct branches—*Imperial* and *Local*. The *Imperial* branch

includes foreign relations, the defences of the country, general taxation, currency, debt, and tariffs, posts, telegraphs, and railways and is under the direct administration of the Government of India. Under the *Local* head come ordinary internal administration, the assessment and collection of the revenues, education, medical and sanitary arrangements, irrigation, roads, buildings, &c., which are all administered by the Local Governments, subject to the control of the Government of India. It is this *Local* branch of the general administration that concerns us in this inquiry.

Here, in all matters pertaining to Provincial Administration, the Government of India exercises a general controlling supervision under the Act of 1833.

The control so exercised by the Supreme Government is a close, constant and *rigorous* control. It does not confine itself to laying down broad lines of policy and general principles for the guidance of the Local Governments, but sometimes prescribes definite methods (as e. g. in *Excise*) and definite rules of procedure (as e. g. in *Forest*) and ceaselessly and carefully tests their application to local conditions from the reports of the Administrative Departments and the monthly records of proceedings of the Provincial Governments which are regularly submitted to it. It has further its own independent machinery of control—as represented by the Imperial Departments, such as the Home Department and the Department of Revenue and Agriculture, the Imperial Secretariat and a strong staff of controlling officers including Directors and Inspectors-General such as the Inspector-General of Forests, the Inspector-General of Agriculture, the Inspector-General of Irrigation, the Director-General of Education, the Director-General of Medical Department, the Controller and Auditor-General &c.

The control maintained through this powerful agency includes guidance, direction and supervision, and is often so minute and rigorous that it tends to leave to the Local Governments less and less freedom of action even in executive matters of detail. The functions of the Imperial Department of Revenue and Agriculture are, for instance, mainly the administration of the land revenue, agricultural inquiry, agricultural improvement and famine relief. To regulate the assessment of the land revenue so as so ensure equity and moderation in the demands of the State without undue sacrifice of its interests; to

give security of tenure to tenants and to improve agricultural credit ; to supervise and control local operations for the prevention and relief of famine ; to organize economic and scientific investigation and measures of agricultural improvement &c.—are a few of the many problems which demand the attention of this Department. Most of these matters are primarily dealt with by the Local Governments and the work of the Imperial Department is mainly of a directing and controlling character. In practice, however, the regulative supervision of the Department sometimes extends to matters of minute executive detail such as the grant of agricultural loans and Tagai advances and the suspension and remission of famine land revenue arrears. So, again, the Revenue and Agriculture Secretariat of the Imperial Government exercises a general controlling supervision over Forest Administration ; but its instructions go much further and require that the Provincial Working-plans prepared by the Local Forest Departments providing for fellings, thinnings, export of forest produce, the grazing of cattle, protection against fire and the execution of works of reproduction and improvement, must be submitted periodically to the Inspector-General of Forests for final approval.

Under such rigorous directive and regulative control the tendency is increasingly for the Provincial Governments to sink to the position more or less of Executive Departments of the Government of India.

In financial matters, the position of the Provincial Governments is equally weak—if not weaker. Strictly speaking, they have no revenues of their own. All taxation—whether levied on the authority of acts of the Supreme Legislative Council such as *Salt* or *Customs*, or of the Local Legislatures such as *Excise* and *Irrigation rates*—is in theory Imperial and all the revenue so raised is the revenue of the Government of India—as Sir J. Westland once argued—"its constitutional possession." And the income of these Local Governments exclusively consists of the Imperial assignments of revenue allowed for Provincialized expenditure. It rests entirely with the Government of India to apportion and distribute these Imperial allotments among the various Provincial Administrations, as it deems best in the general interests ; and there is no statutory guarantee for the "Provincial Settlements." The Provincial Governments have no power to impose taxation on their own authority and without the sanction of the Imperial Government, nor can they borrow without the same sanction. They have no

revenues of their own and have no other security to offer for their loans than that of the Revenues of India. The Revenues of India are the one security for sterling loans in England as well as for rupee loans in India.

Thus, these Provincial Governments are equally in theory and practice spending Departments of the Government of India—*pure-et-simple*—spending, subject to restrictions imposed by it on their Provincialized Services, what grants they obtain from the Imperial Exchequer under the Provincial Settlements. Government of India Resolution in the Financial Department No. 3531—A dated 11th August 1897 (*Vide* Civil Account Code, pp. 122–123) lays down *inter alia* the following restrictions and reservations :—

"Without the previous sanction of the Government of India—

(1) "No additional taxation may be imposed, and no change made in any existing system of revenue management."

(2) "No new general service or duty may be undertaken."

(3) "No class or grade of officers may be created or abolished; and the pay of no class or grade of officers may be raised or reduced."

(4) "No money may be removed from the public Treasury for investment or deposit elsewhere; the Government of India, which is responsible for the provision of ways and means for the public service in all departments, must always retain,.....in its own hands, absolute and unconditional control over all money and the public Treasury; a Local Government may not withdraw such money except for expenditure upon the Public Service."

(5) "The Local Governments will be expected to maintain all the Provincial Services in a state of administrative efficiency providing any increased expenditure necessary for the purpose either from savings in expenditure to be effected by economical administration of the Provincial Services or from development of revenues."

(6) "The financial powers vested in Local Governments by this Resolution are subject to the general supervision and control of the Government of India, and His Excellency the

Governor-General in Council expressly reserves the right of issuing instructions to the Local Governments on general or particular matters affecting the transferred revenues and Services whens uch interference with the discretion ordinarily vested in them seems to him expedient."

Thus it is clear that the position of the Local Governments—whether in administrative or financial matters—is one of great weakness. In administrative matters they have but little real independence of action, and are subjected to constant interference on the part of the controlling Departments of the Government of India. Financially, they administer the revenues but only in the name and on behalf of the Government of India and have in their own Provincial sphere—absolutely no responsibility beyond that of spending Departments. And even in respect of their Provincial expenditure, their proceedings are under the watchful supervision of the financial Department of the Imperial Government exercised through the Comptroller and Auditor-General and the Accountants-General at the Provincial capitals. They cannot tax; they cannot borrow; they cannot increase their Provincial expenditure beyond the limit of their assignments; they cannot undertake any new service or duty; they cannot change or modify their revenue management in any particular nor can they create or abolish any class or grade of officers without the sanction of the Government of India.

Such control—and so exercised by the Government of India—guiding, directing and superintending is undoubtedly a most stringent control exceeding all theoretical limitations of a central authority, and whatever its justification in the necessities or expediencies of the actual situation, has the effect of reducing the Provincial Governments to a position of extreme dependence.

Besides, it has to be borne in mind that these Local Governments are, generally speaking, fairly strongly constituted. Two of them are the old Provincial Governments of Bombay and Madras presided over by Governors-in-Council—appointed by the Crown,—and have the privilege of corresponding direct with the Secretary of State. The other Provincial Governments are only a degree less strong—being under Lieutenant Governors. But they have all—with only one exception—Legislative Councils of their own, Boards of Revenue or Divisional Commissioners and strong Departmental staffs and Secretariats. And a system of Imperial control, which tends to convert them

into little better than Provincial Executive Departments of the Government of India, is essentially an unsound system of control and evidently involves a waste of power. Suffice it here just to point out that the general effect of the present arrangements in this regard is that there is a perilous weakening of authority at the Provincial centres and that a huge superstructure of centralized administration is growing up, resting on a continually narrowing basis in the Provinces.

There is yet another feature of the existing system of administration which requires consideration. It is the growing preponderance of the special Departments under the Provincial Administrations.

All over the country, we find that almost very important branch of administrative business is more or less specialized, and placed under a separate organized Department,—Revenue Police, Forests, Public Works, Agriculture, Sanitation &c. Each Department has its central office at the head-quarters of the Local Government. It is presided over by a specialist and has its own local staff of specialist officers. It has in most cases its own laws, its own methods and rules of procedure. It is usually allowed to develop its work in its own way and on its own technical lines. It has seldom any touch with local sentiment. It does not take into its confidence the people affected by its operations, and though their views and wishes are not unknown, its technical work and its limitations preclude all endeavour to give due weight to them.

The work of each Department is focussed through its central office in the Provincial Secretariat, and is further brought together, higher up the ladder—in the Secretariat of the Imperial Government—through its controlling officers. Take for instance the Forest Department. The immediate control of forest business is vested in each Province in the Local Government, and is entrusted to a special branch of the Provincial Secretariat. It has its staff of Conservators and Deputy Conservators, rangers and Deputy rangers, foresters and forest guards. There is at the head-quarters of the Government of India the Inspector-General of Forest, whose duty it is to direct and control the entire organization in all professional matters—corresponding directly with the Provincial Conservators, going round the Provinces for inspection and submitting special reports and notes to the Local Governments on the one hand and to the Supreme Government on the other.

And the same—or nearly the same—is the case with every other Special Department. It carries the whole of its special business for final disposal to its central office at the Provincial head-quarters—and is thence taken up higher and focussed in the Imperial Departments. And its final decisions are seldom, if ever, over-ruled.

And hence, the vast fabric of Departmental centralization we have all the country over. The Departmental organization, ceing under the immediate control (e. g. *Forest*) of, or in blose touch (e. g. *Land Revenue*) with the Imperial Departments and the Imperial Secretariat, enjoys a predominance in the general system of administration which it could not have otherwise obtained.

It may be further noticed in regard to those administrative Departments that they work on parallel and non-concurrent lines. They work side by side—each in its own way and according to its own technical methods—but there is no attempt yet anywhere to co-ordinate them into a harmonious whole. And this accounts for their failure, as things are at present, to render to one another, and to the Administration as a whole, the help and co-operation required. Thus, for instance, the Department of Agriculture is aware that *water* and *manure* are among the Ryot's primary wants. But the Irrigation Department does not see its way to give him the needful supply of water, cheaper than is consistent with revenue considerations—(with us here, the irrigation rates are the heaviest in India—and that, too, in such exposed tracts as the Deccan). Nor, again, does the Forest Department agree to furnish him cheap supply of fuel from its forests so as to enable him to use his farm-yard manure for his fields, consistently with the interests of scientific forestry and forest development. So, again, the Sanitary Department is anxious to see that the Municipal and District Local Boards should take in hand schemes of water-supply and drainage on adequate scale—in the interests of Public Health. But these local bodies have no funds required for the purpose, and the Financial Department cannot be easily persuaded to give them from Imperial revenues the additional grants needed in aid of such Sanitary expenditure.

Thus, these Special Departments work on—moving each in its own groove and in isolation and exclusiveness which is far from conducive to general administrative efficiency or the well-being of the people.

Besides, as an inevitable consequence of such Departmental centralization we find a general weakening of the District executive.

Every such branch of administrative work so specialized, and transferred to the charge of an organized Department, represents a corresponding diminution in the powers and responsibilities of the District Collector. Land Revenue Settlement, Forest, Excise, Public Works, Sanitation,—and even Police—which in the first years of the conquest were centred in his hands, are now separate Departmental charges. And though he still retains his position as the head of the District Executive, he no longer enjoys the power and prestige which once were his. In *Land Revenue Settlements* he is now only an advising officer, and instances occur in which his advice is over-ruled in favour of the views of the survey and settlement officers. In a recent revision settlement carried out in the Bijapur Collectorate, the unanimous opinion of the Assistant Collector, the Collector and the Revenue Commissioner in regard to the interpretation of a rule respecting enhancements was put on one side, and the recommendations of the Director of Land Records and Agriculture who represented the survey views were accepted and sanctioned by Government. (Vide—Government of Bombay Resolution of 12th April 1906). In *Excise* matters the Collector is almost wholly subject to the orders of the Excise Commissioner, and cannot, without his permission, sanction even the opening and location of liquor-shops in his District. In the Department of Forests, his authority is even less, having no share in its management or control. If a village in his District, for instance, after a disastrous fire requires a free grant of a cheap supply of timber from the forests for the re-building of burnt cottages and huts, his duty is confined to the making of a recommendation to that effect to the forest authorities.

Thus with the increasing power and influence of these special departments, there is to be noticed a corresponding reduction in the strength and unity of the district administration —and there is a weakening of administrative authority—not only at the provincial centres and in the provinces under the existing system of Imperial control, but lower down, at the district centres and in the districts—consequent on the growth of departmental centralization—with its natural result of a loss of touch with local sentiment and local conditions.

Finally, lower down the scale, there is the same feature noticeable of the existing arrangements—at the village centres —in the decay of the old village system of the country. The village is still the unit of administration—but only a shadow of its former self. Our village organizations—once the pride of the country—are no longer the living organizations they were. The Patil is still there, at the head of the village administration —but more as a servant of the State than as the honoured head of the village community. His work, besides, is now much circumscribed. He collects the revenues, manages the village police, tries petty offences, looks after the village pastures and the village cattle-pounds and does other petty work. The Panchayats are gone and he has no longer any share in the assessment and distribution of the land revenue demand. Under the Ryotwari system—on our side—Government deals direct with the individual cultivators, and the unity of village life is gone. The *irrigation* works are under the control of the P. W. Department; the *forests* are under the care of the Forest department, and in Excise matters the Patil of course has no voice.

Thus, here too, at the village centres and in the villages is to be marked—as partly due to departmental centralization—a great weakening of authority as a feature of the existing arrangements.

Briefly, the position may be summed up thus:—

1.—There is a serious and increasing weakening of administrative authority and independent initiative at the various local centres at which the Administration is in the closest contact with local conditions and local sentiments—the *Province*, the *District* and the *Village*—and

2.—It is on such weakened and steadily narrowing local foundations that a stupendous system of centralized administration is growing up—deriving its life, its impulse, its motive force and its inspiration from a single centre at the top and that, too, situated at an inconvenient distance and height from the base—with a serious resultant impairment of administrative efficiency and success through loss of touch with local conditions.

Altogether it would appear that the task of guiding, directing and superintending the entire administration of the country the Government of India is attempting at present—

with the aid of its powerful Secretariat and controlling Imperial Departments, and that too from a single distant centre,—is in its nature an impossible task. And such centralization—which might be possible in small and compact states—is simply out of place in a country like India—of the size of Western Europe,—and is at present not only causing an enormous loss of power and motive force, but is in *its actual operation* highly prejudicial to the success of the general Administration.

And as the present system of Imperial control develops and expands and departmental organization extends, the tendency to such centralization must grow stronger and more accentuated, and with it, the gulf between the administration and the people, get wider.

The only effectual corrective to such an unsatisfactory position of things would seem to lie in an extensive scheme of administrative re-organization under which the central control as at present exercised by the Government of India would be considerably reduced and the various local centres of administrative authority—the *Province*, the *District*, and the *Village*—restored to their former unity, strength and vigour, by association of the people in administrative work on a footing of regulated responsibility and under a system of safeguards, more effective and better suited to the altered circumstances of the country.

But here the question of control is of the utmost importance. Any delegation of power without responsibility must eventually lead to all the evils of uncontrolled autocratic power and convert our local authorities into local despotisms—a change good neither in the interests of sound administration nor of the people. For the administration, it would annihilate all effectual guarantees for efficiency and the right use of power; for the people, it would reduce the safe-guards—at present existing—however imperfect—for the maintenance of liberal and progressive principles in the administration of the country.

Autocracy in whatever shape is an evil, and under any circumstances, and no one would for a moment advocate it for India, as involving a disastrous fall-off from the standard of regulated power and responsible administration reached after more than a century of British rule.

But on the other hand, the only control that at present exists in respect of the general administration of the country is

that supplied by the directive supervision of the Government of India - exercised through its central Departments. And as we find it, it is rearing up, in the name of administrative efficiency, a huge *upas* of centralization—fatal to independent local growth and vigour in the country—and as far as one is able to see,—it must before long come down by the sheer weight of its utter inefficiency and dead failure.

We must, however, have some system of control; and if Imperial control is impossible, and yet there can be no safe devolution of irresponsible power under any scheme of decentralization—no matter how carefully constructed,—there is apparently only one escape from the dilemma. It is the building up of a sound and effective systems of *popular control*—such as exists in all free and progressive countries. And it is the earnest hope and prayer of the country that such popular control may be provided for under the new scheme of Councils Reform which is at present engaging the attention of the authorities—in the reconstituted Legislative Councils and their enlarged functions.

Failing the establishment of such popular control over the general administration, the problem of beneficial change in the existing arrangements of the country is to our thinking an impossible problem and we have no suggestions to submit for the consideration of the Commission in regard to administrative decentralization.

Postulated, however, the creation of such popular control under the new scheme of Councils Reform, we would proceed to lay before the Commission the following few suggestions in respect of the contemplated changes in the administrative machinery of the country.

With properly re-constituted Councils on a broad representative basis and with enlarged functions including that of constitutional control, we would go in for as large a measure of Provincial autonomy as possible—both for administrative and financial purposes—consistent with the general scheme of Indian Government and its unity of responsibility and control. In their own sphere of duties, we consider, the Provincial Governments should be at liberty to follow their own methods, and develop their administrative work on lines suited to local conditions—subject to the general controlling supervision of the Government of India. They have independent powers of legislation, and should in our opinion have a free hand in

executive matters, as far as compatible with the harmonious working of the general administrative organization of the country. The Government of India as the central authority should confine its intervention to laying down broad lines of policy, for the guidance of the local authorities and supervising in a general way their practical carrying out in the Provinces. *Forest*, *Excise*, *Agriculture*, *Irrigation*, *Public Works*, *Medical aid*, *Sanitation*, *Famine relief*— these and other matters of a like nature might, it would seem, be advantageously left to the unfettered discretion of the Provincial Governments. In all matters, on the other hand, of more than Provincial interest and importance, the Government of India will continue to exercise, as at present, its general controlling supervision through its own Imperial Secretariat and Imperial Departments. Its Directors and Inspectors-General should be more its expert advisers, assisting it in its decisions on broad questions of Departmental policy than its controlling officers, constantly interfering in matters of Provincial Executive Administration.

Financially, the position of the Provincial Governments would seem to require a fundamental change. They should no longer be as now mere spending Departments of the Government of India, but should have restored to them their financial powers and responsibilities as autonomous Administrations. All taxation is no doubt in strict constitutional law Imperial and that portion of it which is in its nature Imperial such as *Customs*, *Coinage*, *Salt*, *Opium*, should be under Imperial direction. But the rest of the revenues should be, in our opinion, transferred to Provincial control—and to be at the disposal of the Provincial Governments—subject of course to the permanent claim of the Imperial Government to such a share of them as it may in its discretion decide to be necessary for Imperial necessities. As regards expenditure in the Provinces, it would seem, several of the restrictions of the Civil Account Code as laid down in Secs. 283-5 are unnecessary—such as those relating to grades and classes of officers and their salaries and allowances – and might be taken off and the Provincial Administrations should be free to regulate and adjust their expenditure to their Provincial requirements as might seem to them best in the public interests.

In this connection we would respectfully invite attention to the following scheme of Provincial Finance, recommended in the Minority Report of the Welby Commission (p. 184), and which has our general concurrence:—

I. That there should be no divided departments, but that those departments of receipts and expenditure which are now wholly, or almost wholly, Imperial, or which it may be found convenient to make Imperial, should be set on one side for Imperial purposes, and that the receipts and expenditure of the Provincialised departments should be entirely Provincial;

II. That whatever the sum be by which the Imperial expenditure exceeds the income from those sources of revenue which are not Provincialised, that sum should be declared the first charge on the Provincial revenues;

III. That the Provincial surplus which arises from the excess of receipts over expenditure should be the fund from which, in the first place, all Imperial necessities should be met before any increase can take place in Provincial expenditure;

IV. And that, as regards the future growth of revenue, it should, as far as possible, be divided equally between Provincial and Imperial, subject to the condition that if the Imperial exigencies ever required a larger share, the Imperial share should be increased.

88. The following advantages are claimed for the foregoing scheme:—

1. It will place the financial system of India once for all on a sound basis, and will bring it more in a line with the federal systems of finance in other countries;

2. It will remove all irritation at present felt by the Provincial Governments and secure to them, under ordinary circumstances, half the normal growth of revenues in their provinces, enabling them thereby to make steady efforts towards the progressive improvement of their internal administration;

3. It will tend to secure greater and greater equality in the burdens which Imperial expenditure imposes upon the different provinces. The effect of contributing to the Imperial Exchequer an equal por-

tion of all future increase in revenue (viz. 50 per cent) will be, that year by year the relation which the contribution of a province bears to its revenue will tend more and more towards equalisation. Thus the provinces which now pay, say 60 per cent of their revenue, will, after paying only 50 per cent of their increase for some years, be found to have dropped down to a ratio of 58 or 57 per cent. And similarly in the provinces which pay less than 50 per cent at present, the ratio will constantly work itself up toward 50 per cent; and

4. It will operate as a check upon the inclination of the Government of India towards increased unreproductive expenditure.

89. To these proposals of Sir Charles Elliot, one more may be added, viz., that the Government of India should have no power of claiming for itself a higher proportion of the provincial increases than 50 per cent, except in those extreme cases described by Lord Ripon's Government as dire necessities, and that whenever, in the opinion of the Government of India, those extreme cases arise, a formal declaration of the grounds on which such opinion is based should be drawn up and sent to the Secretary of State, to be placed by him before Parliament. Further, the increase should be allowed only with the sanction of the Secretary of State, who should give a hearing to the Provincial Governments and take their objections, if any, into account before according such sanction. These proposals, which are only a logical development of the financial decentralisation already effected, will secure to provincial finance the stability and certainty it so much needs, and while making adequate provision for the real necessities of the Central Government, will enable the Provincial Governments to make comprehensive and well-sustained efforts in administrative reform and the internal improvement of the country.

Such administrative and financial autonomy conferred on the Provincial Administrations—under adequate and effective safe-guards would constitute an immense improvement on the existing arrangements, and would go far to strengthen administrative authority at a centre at which such strengthening is most needed and would be attended with the most beneficial results.

As further changes tending to the same end, we would propose the following :—

1. That the Provincial Administration should all be presided over—including the Central Provinces—by Governors, as in Bombay and Madras, appointed from England. It would be a source of immense strength to the cause of Indian progress to have from time to time applied to the practical consideration of Indian administrative problems fresh minds trained and disciplined in the free atmosphere of English public life.

2. That the Provinces should all have, like Madras and Bombay, Executive Councils of their own to assist their Governors,—as conducive to administrative unity and efficiency.

3. That there should be on these Provincial Executive Councils Indian representatives equal in number to their English colleagues, in order that the whole higher work of Provincial Administration might be brought into closer contact with public sentiment than is otherwise possible.

4. And, lastly, as a corrective to the evil of excessive Departmental separatist-centralization, there should be at the head-quarters of each Provincial Government a Board of expert Departmental advice, presided over by a member of Council and composed—

(1) of the heads of various Administrative Departments and

(2) of an equal number of non-official members—to represent the various popular interests concerned—Commercial, Agricultural, Sanitary, Educational, &c.

The functions of the Board should be two—viz. :—

(1) to assist the Provincial Government with their advice in all Departmental matters of importance, and

(2) to coordinate Departmental work with a view to greater unity of purpose and plan. The present arrangements which suffer these various Departments to work—each independently of the rest—evidently involves friction and waste of power and resource.

With the position of the Provincial Governments so improved and the Provincial centres of authority so strengthened, we would go a step lower down the scale and propose a similar strengthening of admini-trative authority at the District centres and in the Districts. Here, the object is principally to impart to the District Administration the unity, strength and vigor it at present lacks. First, it is necessary that the District Collectors should be in reality—what they are at present in little more than a name—the directing and controlling chiefs of the District Executive. And secondly, it is desirable that the various Administrative Departments should be brought together as at the Provincial head-quarters, and work in unison and with greater unity of purpose and method. And with this double end in view, we would advocate the creation of Administrative Councils for the Districts to focus and administer district business, under the presidency of the District Collectors, and composed of—

(1) The Local representatives of the various Departments of Administration,—Forest, Public Works &c. and

(2) The people's elected representatives—equal in number to their Departmental colleagues—including

2 representatives of the landed classes—the rent-receivers and the rent-payers,

1 representative of the District Local Board—elected by non-official members,

2 representatives of the Taluka Boards,
1 representative of the Municipality of the chief town of the District,

1 representative of the other Municipalities in the District.

The Departmental Officers would constitute a strong element in these Councils, and it would seem that the Collector-Presidents should have the assistance, as a counterpoise to the Departmental representation, of an equal number of non-official members.

What the precise powers and functions of such District Councils should be, is a most important matter for consideration. *Excise, Forest, Irrigation, P. Works, Sanitation, Medical*

aid, *Famine relief and Agriculture* would suggest some of the various branches of District Administration which might be advantageously entrusted to their management and control.

Such District Councils—constituted on a democratic basis—exist, for instance, in Austria for the administration of district affairs—interposed between the communal bodies and Provincial Diets.

Thus aided, the position of the District Collectors would be largely improved and their influence and prestige as chiefs of the District Executive, increased, and we are persuaded, an effectual corrective might be applied to the existing centralizing tendencies of the Departmental organization, and finally, administrative authority strengthened at another local centre—viz., the Districts,—and brought into closer touch with local conditions and local sentiment than is possible under the present arrangements.

Lastly, we come to the Village centres, the very bed-rock of the whole territorial organization of the country. Our village-system was at one time the sheet anchor of our national life, and in the interests of good Government and progress, we would wish it to be revived, improved and strengthened in the larger villages in the Presidency—villages of 500 inhabitants and more,—in some such ways as the following:—

(1) That the administration of village officers should be re-organized on a broader basis under the headship of the village Patil.

(2) That the village Patil should have in the general conduct of village affairs the help and co-operation of a standing *Panchayat* or village committee, composed of *5 men* chosen periodically—say once in every 4 or 5 years—by the free voice of the *whole village community*.

(3) That the range of village business under the control of the Patil and the Panchayat should be considerably widened—and should include, *inter alia*:—

1. Revenue management.
2. Village Pastures.
3. Village Cattle-pounds.
4. Village Sanitation.
5. Village Police.
6. Village Criminal Justice.

} more or less as now.

7. Village Civil Justice.
8. Village Forest.
9. Village Excise.
10. Village Irrigation.

} New branches, proposed to be transferred to communal control.

(4) That the village management should continue as now under the supervision of the Taluka Mamlatdar and the control of the District Collector.

(5) That the administration should have the advice and asistance of the various Administrative Departments through their local officers in all matters in which such advice and assistance might be necessary.

The scheme of village administrative re-organisation as out-lined above is intended for the larger villages which number in this Presidency 7,536. In the smaller villages, we are afraid the requisite material for such administration is not available; and we have no change to propose in the existing arrangement.

We would submit a few observations on the various points of the proposed scheme.

1. First as regards the *Village Patil*:—

The village with us is emphatically the pivot of the whole administrative system—*par excellence* the centre at which the administration is in the closest touch with local conditions. And it is here, if anywhere, that administrative authority needs to be strengthened as far as possible. It is essential —and indeed it is the *sine qua non* of our scheme— that the Patil should stand forth as the chief of the village administration—more as the honoured head and representative of the village community than as a mere servant of the State to collect its dues and look after the village watch. He should have a larger share of administrative authority than at present; he should hold a position of greater influence and dignity, and his emoluments should be increased. And no effort should be spared to bridge over the gulf that at present separates him and the people, bring the village administration as represented in his person into real, living contact with local sentiment, and identify the State and Villages in work, in interest and in feeling as far as possible.

2. Secondly, as to the *Village Panchayat* :—

> In times not very remote, we had all over the Deccan—in the larger villages—what were known as the Mirasdars' Assemblies. Each commune had such an assembly of its own to look after its affairs. It was composed of all resident peasant-proprietors who—as do the citizens in the smaller cantons in Switzerland at the present day—assembled together at the village Chavdi or in the open air on the village common at stated periods in the year, made their own rules, and decided matters relating to *pastures and grazing*, *forests and wood-cutting*, *village expenses*, *village temple endowments*, and other like details of village management. The communal spirit was then strong, and there was a unity and a cohesiveness of village life, which constituted the strength of the village organization. Now, however, times are altered and much of the communal unity and strength of our villages is but a dim tradition; and factions and dissension distract these village communities under the disintegrating influences of modern life to a most harmful extent. Under such circumstances, it does not seem possible to revive the village assemblies of pre-British times; but we submit that, even so, in the larger villages at least, the villages might be safely granted the franchise and trusted in spite of the factions that exist and to elect a good and strong Panchayat—once in every 4 or 5 years—to administer their affairs.

पंचमुखी परमेश्वर—The voice of the five is the voice of God, and in our villages, the Panchayats command the highest respect.

The election of a Panchayat is held to be a sacred and responsible function; and we may be sure, neither the spirit of party nor the voice of faction would be suffered to mar such election proceedings. The villagers might assemble on the village common as in old times and elect their Panchas.

3. Thirdly, as regards the *range of Village Business* :—

(1) The village is now the unit as of old of revenue administration; *but* the village community has no voice in the assessment or distribution of the State

dues as in old days. There is, however, but little scope for change in this respect—under our existing Ryotwari system. But we would suggest that the villagers may be allowed some share in the final assessment of Land Revenue at least.

(2), (3) *Village pastures and village cattle-pounds* :—call for no remark.

4. As regards *Village Sanitation* :—

We have in the Presidency our Village Sanitation Act of 1889, under which Village Sanitation is entrusted to Village Sanitary Committees (Sec. 8) in the larger villages and to Sanitary Boards (Sec. 19) in groups of the smaller. Water-supply, cleansing the street, preventing nuisances and insanitary acts—are among the various duties assigned to these Committees and Boards. Offences against the Village Sanitation rules are cognizable by them and are punishable with fine which may extend to Rs. 10 or in default, with confinement in the Village Chavdi for 48 hours.

These Committees and Boards are composed of 3 or more resident house-holders chosen by the District Collector who is allowed under Sec. 8 to procure the nomination or election by the house-holders of the Village, of qualified persons in such mode as he shall deem expedient.

The Act is already in force in several Villages and may be extended to others at the discretion of the Local Government and his District officers.

There does not seem, however, any need for such special organization for Village Sanitation and we would suggest that, the whole Village Sanitary business may be transferred to the control of the Village Patil and the Village Panchayat—in which the Special Sanitary Committees and Boards should be merged. This would no doubt be a radical change in the existing arrangement, but while it would cause no administrative inconvenience and lead to but little alteration in the personnel, such amalgamation of *Sanitary* with the general business of Village management would largely help to strengthen the unity of the Village Administration.

5. & 6. Next as regards *Police* and *Criminal Justice* :—

Under the Bombay Village Police Act of 1867, the Village Police is already under the control of the Village

Police Patil (Sec. 5). The Police Patil, however, of the Village is not always the same as the Revenue Patil, and there is a needless division—and weakening of village authority. We hold that the Revenue Patil—the chief of the Village administration—should, as a rule, be also the Police authority for his village.

The Patil is also under this Act empowered to try petty offences such as petty *theft*, petty *assault* or *abuse*, and punish nuisances and disorderly acts—such as bathing, washing in, and defiling any well or tank, cruelly torturing any animal &c. Here, as the Government of India suggests in its Resolution of 21st March 1905, the trial of such petty offences should be entrusted to the Village Headmen and the Village Panchayats.

These judicial Panchayats, however, would have to be different from the standing Panch Committee of the villages,—which are purely executive Boards to assist the Patils in the general work of village management. Judicial is different from Executive work and the two functions should never be united as far as possible in the same hands. Besides, we ought to have only one village head-man and no other—as the chief of the village Administration, and it is hence all the more necessary that the Panchayats for the trial of offences should be constituted on a different basis. As is provided in Madras Act I of 1889 in the case of the Village Munsiffs Court, the Collector should prepare and maintain a list of respectable persons residing in the village and qualified to sit as members of a Bench, and we would propose that these Panchayats should be impanelled by lot—one for each monthly session—from among the '*listed*' men.

Such administration of Criminal Justice by the village Panchayat Benches presided over by the Patils would be more in accordance with local custom and tradition than by the village head-man sitting alone, and while like Jury-trial, it would associate the people in Judicial work—which cannot fail to have a most excellent educative effect, would best promote the unity of village public life. Such a system still survives in the N. W. Frontier Province, and by all accounts works most admirably—the head-man sitting down in his tribal Jirga to decide the cases—on stated days in the week.

We now come to the four additional functions which we propose should be changed to the village administration—*Civil*

Justice, *Forest*, *Excise*, and *Irrigation*. To take the last three first :—

8. As regards *Forests*—we have in the Presid[illegible] village *forests* as such. The necessity of creating them, h[illegible] is recognised, and when they are so created, they sh[illegible] under village control as in many parts in the Central P[illegible]. We had such village forests before, under communal [illegible]ment all over the Konkan and in parts of the Decca[illegible] and there is no reason why we should not ha[illegible] arrangement again.

9. As to *Excise*—there is the Excise Depar[illegible] with the excutive control of this branch of adminis[illegible] and all we propose is, that the village head-man and Panch should have a consultative, if not a determin[illegible] in the opening and location of liquor shops and the set[illegible] of out-stills within the village bounds.

10. Next as regard *Irrigation*—it is a most importa[illegible] point of village management. In former times, the village managed and controlled their own village works—tanks, well[illegible] and *bandhara* (storage works),—all over, Khandesh, Nasik, Satara, Belgaum and other Zillas. Now, however, they are under the P. Works Department; and village management except in reference to channel distribution is for the most part eliminated. This is surely not as it should be, and we are strongly of opinion that these works originally constructed by communal effort and from communal funds and since maintained in proper condition by communal labor should be as in days of native rule under village control.

Lastly, we come to *Civil Justice* (7) in the Villages. Here there is a wide scope for change. We have already in the Presidency over 200 village munsiffs, and under the recent extensions of the Deccan Agriculturists Relief Act of 1879, Government has the power to oppoint such munsiffs in any village they deem fit under Sec. 34 of the Act. Government can appoint any village Patil or any other person of local influence to be a village munsiff for such village to take cognizance of simple money suits (Sec. 35) not exceeding in value Rs. 10. But nowhere have we our Panchayats of old. In pre-British times—and under Maratha rule, we had the Panchayat system in fine working order all over the Presidency.

According to Mountstuart Elphinstone (*vide* his Report on the Peishwa Territories) Civil Justice was administered in the country by the Patil. When a complaint was made to a Patil, he would send for the person complained of, and if he admitted the debt, settle the mode and time of re-payment. If the debt was disputed and he could not effect a settlement, he assembled a Panchayat who inquired into the matter and decided as they thought best. The consent of the parties to the Panchayat was everywhere essential; the members were chosen with their approbation, and were usually people of the same situation in life as the parties or people likely to understand the matter in dispute—as bankers in a matter of account. And from their decisions there was no appeal. There was no limit as to value of suits.

Under Madras Act I of 1889, such village Benches are constituted in most villages and take cognizance of suits not exceeding in value Rs. 20. Either party to a suit may claim (Sec. 9, 3) trial by a Bench—usually of 3 judges. The Collector prepares and maintains a list of respectable persons qualified for such work and the list is hung up in the village court-house, and each party is entitled to nominate as a member any person in the list.

We would propose an analogous system for this Presidency. The trial of simple suits should be by the village Benches as in Madras, and the money value of suits may be Rs. 50 and under.

Such a revival of the indigenous institution of the land would be hailed with delight in the villages. It would render justice cheap, expeditious and effective and save a world of trouble and harassment to the parties. Further, it would bring immense relief to the stipendiary courts. Such suits not exceeding in value Rs. 50 constitute usually full 60 per cent. of the total number of institutions. Last year in the Presidency, we had in all 102,024 institutions, of which suits of the value of Rs. 50 and under numbered 61,523. But, above all, it would associate the people in such honorable and responsible work, and strengthen the unity and enhance the dignity of village life.

4. With the range of village administration so enlarged, we have no change to recommend in the present arrangements as regards direction and supervision. The Collector will continue as now the one controlling officer for his District.

5. As regards Departmental advice, we propose that it may be rendered to the Village Administration always and in all matters—especially of a technical nature—by the various Administrative Departments through their local staffs. In *Sanitary* matters, the Patil should be entitled to advice and help from the local officers of the *Sanitary* Department; in *Forest* business, from the local representatives of the *Forest* Department; in regard to Irrigation, from the local officers of the Public Works Department, and so on. Now it is the Departments that do the actual work. Under the proposed arrangements, the work will be done by those whose concern it properly is—only with their advice and help. Some such change, we submit, in our village arrangements would help to bring those strong Special Departments into real touch with local conditions, and put an end to their present isolation and exclusiveness.

We would thus have our old Village System revived and re-organized in some such ways as above, and the Village Administration improved and strengthened—and placed on a broader basis than at present. This would have a magic effect and improve the Administration at its broadest territorial base—bringing the rulers and the ruled into real living touch, and associating them in actual work and identifying them in sentiment and interest in a way in which nothing else could.

Such is in rough outline our scheme of administrative re-organization, and if our appreciation of the existing system of administrative centralization and its paralysing effects on local life is not altogether incorrect, would seem to offer a fair solution of the problem now before the Commission. We propose :—

(1) That the existing system of Imperial control—*the fons-et-origo*—of our administrative difficulties should be largely modified by a clearer and stricter definition of the power of directing and controlling supervision as vested in the Government of India under the Charter Act of 1833, and by its circumscription within limits which theory and experience permit to a Central Government supreme over a number of dependent local administrations.

Such control—when it comes to include, as at present, *detailed regulation* as well as general *directive supervision* and *restraining power*—exceeds all limitations, and as tending to

a fatal concentration of administrative work and responsibility, does more harm than good to the cause of sound and progressive administration and is otherwise prejudicial to the growth of local independence, local life, local initiative and local progress, and requires curtailment and stricter definition.

Such curtailment of central control being effected under a clearer definition and a better distribution of power and responsibility as between the Supreme Government and the Local Governments subordinate to it, their mutual relations would be simplified and improved.

(2) That side by side with such central control so circumscribed—and partly in place of it, there should be built up in some shape or other an effective system of popular control under the new scheme of Councils Reform in the re-constituted Local Legislative Councils and their enlarged powers and functions.

Some such arrangement as the following may be suggested :—

(*a*) Half the membership of the re-constituted Councils to be given to popular election.

(*b*) The annual Budgets to be voted with a bill of appropriation tacked on—amendments being permitted to be moved, and divisions taken.

(*c*) The right of interpellation to be coupled with a further power to have discussion in Council on matters of importance involving questions of administrative principle and plan.

It is the sacred right of the governed to have such control over the administration of their country's affairs—and it exists on a firm constitutional basis in all free and progressive states.

(3) That a comprehensive scheme of administrative reorganization may be carried out with a view to strengthening administrative authority at the various local centres—the *Provinces*, the *Districts* and the *Villages*—

(*a*) by broadening its base though the creation of administrative councils such as exist in Austria and Prussia, and

(*b*) by bringing it into closer touch with local conditions through the admission of the people to a responsible participation in actual administrative work.

In the *Provinces*—

(*a*) The Provincial Governments should have within the sphere of their Provincial work as large a measure of financial and administrative autonomy as is consistent with the general scheme of Indian Government;

(*b*) a machinery should be provided at the head-quarters of each Local Government for a proper co-ordination of administrative work as represented by the various Administrative Departments in the form of a Board of expert advice, composed partly of the Departmental chiefs and partly of the people's chosen representatives, and

(*c*) there should be popular representatives on the Provincial Executive Councils in order to bring the higher work of administration into effective touch with public sentiment.

In the *Districts*—

The position of the District Collectors should be strengthened by the establishment of District Administrative Councils—under their presidency—to be composed partly of the District representatives of the various Administrative Departments—with a view to co-ordination of Departmental work and as a corrective to Departmental centralization—and partly of the elected representatives of the various popular interests concerned—in order to bring the general work of district administration into effective contact with local conditions.

And lastly, in the *Villages*—

The old Village System of the country should be revived and re-organized on a broader basis.

[Parenthetically, it may be observed that in our opinion the time is come when the Administration can safely and advantageously dispense with the assistance of the Divisional Commissioners and Boards of Revenue.]

Thus—

(*a*) A proper system of central control being established—partly *Imperial* to be exercised by the Government of India as at present—and partly *popular* to be vested in the reconstituted Legislative Councils;

(*b*) Improvement of the relations between the Supreme and Local Governments being secured under a sounder definition of their respective powers and responsibilities;

(*c*) Closer and more effective touch with local conditions and local sentiments, being ensured though the responsible participation of the people in actual administrative work; and

(*d*) Administrative authority being strengthened at the various local Centres—the Province, the District and the Village,—

The Indian administrative system would be in our humble opinion far better adapted than at present to fulfil the one supreme purpose which is its *raison d'etre*—viz., the most effectual promotion of the moral, material and political welfare of the Indian people.

Under some such scheme of re-construction the whole fabric of British Indian Administration would, we humbly think, be immensely strengthened, and placed on a stronger and broader basis than at any time before since British rule commenced; Indian progress would receive a fresh impetus; and England would be in a better position—to accomplish her high mission in India—the elevation of a great and ancient people to a higher plane of life, civilization, and material well-being.

Salus populi suprema est lex.

A NOTE ON THE REFORM SCHEME.*

—:o:—

At a Conference specially convened under the auspices of the Poona Sârvajanik Sabhâ for considering the Indian Reform proposals generally and the India Councils Bill now before the Lords in particular, and held on three successive days viz., Monday, Tuesday, and Wednesday, the 8th, 9th, and 10th March 1909, the Reform proposals as well as the Bill were subjected to prolonged discussion; and eventually the following resolutions together with the appended explanatory note on the same were adopted as embodying the opinion of the Conference:—

Resolutions.

I. That, the Conference welcomes with feelings of the most grateful satisfaction the Indian Reform Proposals at present under the consideration of Parliament, and which when sanctioned will mark a most notable stage onward along the path of constitutional advance in India.

II. That, considering that the central object of the contemplated changes is to confer on the people of India a greater share in the legislation and government than they at present enjoy, and that it is proposed with a view to this object to place the constitution of Indian Government on a broader and a more representative basis by enlarging the Legislative Councils and extending their powers and functions on the one hand, and on the other, by expanding and strengthening the Executive Councils by the appointment of Indians, the Conference begs to record its high appreciation of the noble purpose and lofty motive by which the proposed measures are inspired.

III. That, having regard to the vast importance of the issues involved in the proposed scheme of change, the Conference regrets that no inquiry by a Parliamentary Comittee or a Royal Commission has been held as at one time contemplated into the working of the Government of India Act of 1858 and the Indian Councils Act of 1861 and 1892, by way of a necessary preliminary to the formulation in the shape of a

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* The Note on the Reform Scheme along with the Resolutions of the Conference held under the auspices of the Poona Sarvajanik Sabha, were forwarded to the House of Commons on 18th March 1909.

statutory enactment of the changes required,—an inquiry which would have best served to bring out in clear relief the weak points in the existing arrangements and indicate the directions in the which alterations were in the interest of progressive development needed in the constitution of the Government of India.

IV. That, in consequence, the Conference regrets to find that the proposed Government scheme of changes is in important particulars defective, and otherwise is not such as is calculated to give due effect either to the noble policy enunciated in the Royal Message or to the generous intentions of Government.

(A) LEGISLATIVE COUNCILS.

V. That, in regard to the Legislative Councils, the Conference is humbly of opinion that the proposed scheme is unsatisfactory inasmuch as—

(1) It does not admit of any adequate enlargements of the Councils, because of the uni-cameral basis on which they are constituted and which it leaves unaltered, combined with the assumed Imperial necessity of maintaining on them, in the interests of the supreme authority of the Executive, the predominance of the official element in relation to the non-official.

(2) It fails to make the expanded Councils truly and effectively representative of the people by reason of a faulty system of popular election, which, while it omits to utilize the existing communal system of the country and make provision for the representation of the population at large on the old Panchayat basis which recognises no distinctions of class, creed or colour, gives special representation to minorities and special classes and limited interests.

(3) And lastly, it does not, by its insistence on an official majority in the Supreme Legislature, serve to bring to these Councils any larger share in legislative authority than at present.

VI. That, the Conference ventures respectfully to submit the following suggestions in this regard for the favourable consideration of Government :—

(1) That the proposed expanded Councils may be reconstituted on a bi-cameral plan—the two chambers—one to be nominated by the Crown and one chosen by popular vote, and to have concurrent and co-ordinate legislative authority, the supremacy of the Imperial Executive in cases of real and urgent necessity being safe-guarded by retention in its hands of the constitutional power of overruling the chambers,—such an arrangement being calculated to obviate the necessity of withdrawing any large number of officials from their regular duties for attendance in Council and in other respects being a desirable and convenient arrangement.

(2) That, the scheme of elective representation for the popular chambers should effectually provide for due and adequate representation :—

(*a*) Of the general population by means of territorial electorates based on the village communal system of the country, the rural Panchayats serving as primary voting units,

(*b*) Of important minorities such as the Mahomedans, the Sikhs, the Parsis, etc. through special electorates,

(*c*) And of important, though limited, interests and special constituencies.

VII. That, the Conference gratefully recognises the generous spirit in which the proposed extensions of the powers and functions of the expanded Councils are conceived—including the asking of supplementary questions and the discussion of and the moving of resolutions on any matter of general public interest, as well as extended facilities for debate on the annual Budgets.

VIII. That, in reference to the discussions on the Budgets, however, the Conference ventures humbly to submit the following suggestions—

(1) That, considering the nature of the existing arrangements of Provincial Finance which, while they leave the Provincial Governments no revenues of their own, only assign to them allotments of money from the Imperial Treasury for the local services transferred to

their control, the Provincial Councils may be permitted to settle and vote their own Provincial Budgets—adjusting their assignments to their local requirements.

(2) And that, in regard to the Imperial Budget, the statutory exclusions proposed in the Government scheme may be,—covering as they do a very large area of the financial arrangements for the year—in the interests of useful and well ordered discussion, dropped as inexpedient and otherwise uncalled for.

(B) EXECUTIVE COUNCILS.

IX. That, having regard to the constitutional requirements of the country and to the changed and changing position of the Provinces, the Conference ventures respectfully to suggest that they be all raised—including the Central Provinces and Berar—to the status of Presidential Governments to be presided over by Governors appointed direct from England, and that after they are so levelled up, Executive Councils on the plan of those of Bombay and Madras, as is proposed in the Government scheme, may be created to assist them.

X. That, even should it be decided to maintain un-altered the existing arrangement of appointing Lieutenant-Governors selected from the Indian Civil Service at the head of Local Governments, the Conference is strongly of opinion that the establishment of Executive Councils to assist them is—from the point of view alike of administrative efficiency and progressive development—a necessary and desirable step.

That, in this view of the matter, the Conference regrets the rejection in the Lords of clause 3 of the India Councils Bill authorizing the establishment of such Councils, and earnestly prays for its re-insertion.

XI. That, the Conference begs to express its grateful recognition of the liberality of the Government proposal to appoint Indians to the Executive Councils.

Such admission of Indians to an important share in the responsibilities of Administration in its highest sphere will be hailed with loyal satisfaction throughout the country as a noble vindication of the pledges of the great Queen's Proclamation of 1858.

XII. That, in this connection the Conference ventures to suggest:

(1) That such appointments of Indians to the Executive Councils may have the guarantee of statutory sanction.

(2) That the Indian Members on the Executive Councils should be recommended by the non-official members of Legislative Councils for nomination by Government.

(3) And that no length-of-service rule may be made applicable to these appointments, as calculated to unnecessarily restrict the area of selection.

Note on the Reform Scheme.

The Conference welcomes with feelings of the deepest satisfaction the Reform Proposals as marking an important advance along the path of constitutional development.

The Queen's Proclamation of 1858 has this pledge :—

"We hold ourselves bound to the Natives of our Indian Territories by the same obligations of duty which bind us to all our other subjects : and those obligations, by the blessing of Almighty God, we shall faithfully and conscientiously fulfil."

This is a pledge of equal treatment. England is bound to treat India as she does her Colonies. The Colonies have—most of them—risen to the status of Self-Governing members of the Empire with representative institutions and responsible Government. And India hopes to receive in the fulness of time at the hands of her British Rulers the concession of a similar boon.

Meanwhile, H. M. the King-Emperor's message of November last conveys this gracious assurance :—

"From the first, the principle of representative institutions began to be gradually introduced, and the time has come when in the judgment of my Viceroy and Governor-General and others of my Counsellors that principle may be prudently extended. Important classes among you, representing ideas that have been fostered and encouraged by British rule, claim equality of citizenship and greater share in legislation and government. The politic satisfaction of such a claim will strengthen, not impair, existing authority and power. Administration will be all the more efficient, if the officers who conduct it have

greater opportunities of regular contact with those whom it affects, and with those who influence and reflect common opinion about it. I will not speak of the measures that are now being diligently framed for these objects. They will speedily be made known to you, and will, I am very confident, mark a notable stage in the beneficent progress of your affairs."

The Reforms at present under consideration are in fulfilment of the Royal pledge and the Royal assurance; and their central object is to extend representative institutions in the country, and accord to the people a greater share in legislation and government than they have hitherto enjoyed,—and not simply to associate them with the administration of the country and give them an effective voice in expressing their interests and needs. Viewed in their broader aspects, they are intended to confer on the people of India as Great Britain's free and noble gift a new and representative constitution, under which they will have more largely than here-to-fore in their hands the future progress and development of the country.

And we have this further assurance in the recent Speech from the Throne:—

"A Bill will be at once laid before you dealing with the matters to which sanction is required, and it is my strong desire that the steps to be taken for giving effect to the policy announced in my message of November to the Princes and people of India, may *impartially protect the interests* and advance the welfare of all races and classes and communities of my Indian Dominions."

Such is the new policy—a policy of constitutional reform—worthy not only of the best traditions of British rule in India but of the larger statesmanship of the Empire. It inaugurates the dawn of a new era for the country and opens a new chapter in the history of the relations between Great Britain and India. And the Conference begs to express its most grateful appreciation of the high purpose and the lofty motive by which the policy so enunciated is inspired. Judged, however, from the stand-point of these promises and assurances and the policy so announced, the Government scheme of changes actually proposed is far from satisfactory and is otherwise defective in important particulars; and, the Conference is afraid, it cannot give due effect to the generous intentions of the Government without large and fundamental alterations.

In this connection the Conference must express its deep regret that no inquiry by a Parliamentary Committee or a Royal Commission has been held as usual in the time of the E. I. Company upto 1853 and as at one time contemplated, into the working of the Government of India Act of 1858 and the Indian Councils Acts of 1861 and 1892 by way of a necessary preliminary to the formulation of the changes required. Nothing would have served better than such an inquiry to bring out in clear relief the weak points in the existing arrangements and to indicate the directions in which modifications were, in the interests of progressive development, needed in the constitution of the Government of India. Such inquiries into the administration of Indian affairs were held in the days of the E. I. Company's rule—notably in the years preceeding the Charter Renewal Legislation of 1793, 1893, 1833 and 1853—and admittedly with excellent results.

The Government proposals fall under two groups :—

1. Changes in the Legislative Councils.
2. Changes in the Executive Councils.

(1) Legislative Councils Reform.

The changes proposed include :—

(*a*) Re-constitution of the Councils.

(1) Numerical Expansions.
(2) Structural Plan.
(3) Elective Representation.
(4) Official Majorities.

(*b*) Extension of the powers and functions of the Councils.

The Conference is of opinion that the Government scheme is in both these respects open to serious objection and requires large amendment.

(*a*) Re-constitution of the Councils.

In this connection it may be noted :—

(1) That it is the desire of the Governor-General in Council that the Legislative Councils in India should now be enlarged to the fullest extent compatible with the necessary authority of the Government.

(Despatch, August 1907.)

(2) The Governor-General in Council further desires "that these bodies should be so constituted in respect of non-official members as to give due and ample representation to the different classes and interests of the community."

"That the Legislative Councils should reflect the leading elements of the population at large."

(Lord Morley's Despatch, Nov. 1908.)

That it is the object of Government "that these Legislative Councils should represent truly and effectively, with a reasonable approach to the balance of real social forces, the wishes and needs of the communities."

(Lord Morley's Reply to the Mahomedan Deputation.)

That the constitution of these Councils should be such as to "impartially protect the interests and advance the welfare of all races, classes and communities" in India.

(Speech from the Throne, Feb. 1909.)

(3) That the measure is intended to give the people's representatives "a greater share in legislation."

(Royal Message, Nov. 1908.)

The scheme of changes, however, as formulated in the Government Despatches is not calculated, in the opinion of the Conference, to fulfil any of these objects.

(1) It does *not* give us any *adequate expansions* of the Councils, because of the uni-cameral plan on which they are constituted and which it is not proposed to change.

(2) It fails, by reason of a *faulty and defective system of election* proposed, to make the expanded Councils duly and effectively representative of the various classes and interests of the community. On the contrary, it converts them into close oligarchic bodies in which—excluding as it does the mass of the people from all share in direct representation—the interests of the voiceless millions are subordinated to those of the privileged few.

(3) It does *not* provide for the conferment upon the people's representatives of any *larger share in legislation* than they have at present.

I—Numerical expansions :—

The numerical expansions proposed are considerable—the total number of seats in the Supreme and Provincial Legislative Councils being raised from 146 to 330 ; but the Conference considers that in view of the present constitutional requirements of the country, they are altogether inadequate.

The seats in the expanded Councils are thus distributed :—

	Off.	Non-off.	Eld.	Total.
Imperial Council ...	32	3	28	63
7 Provincial Councils ...	137	31	99	267
	169	34	127	330

Thus, of the total expanded membership (330 seats), only 127 are throne open to popular election. In the Supreme Council we have just 28 elected members to represent the wishes and needs of a population of 232 millions. Bengal with a population of over 50 millions has on its expanded Council only 20 elective seats. The United Provinces of Agra and Oudh have only 19 for a population of 47·6 millions. The Punjab—the home of the village communities—has just 5 elective seats and no more for its 20·3 millions. The Central Provinces and Berar with a population of nearly 12 millions have yet no Legislature of their own.

The Government scheme contemplates an official majority in the Supreme Legislative Council alone. In the Provincial Councils, no such official predominance is insisted on. Even so, the governing consideration in respect of these enlargements is avowedly the necessity of maintaining, in the interests of the supreme authority of the Executive, the official element in sufficient strength to balance the non-official on the Councils on their present uni-cameral basis ; and the sole question is "what number of official members of the requisite standing and experience can, without detriment to the public service, be spared from their regular duties for attendance in Legislative Councils."

The number of non-official members is thus rigorously limited and determined by the number of officials available for appointment to the Councils. And as no larger number of officials can be spared than is proposed, any further expansions of these Councils on their present one-chamber plan cannot be looked for. Government themselves admit the impossibility,

"within the narrow limits thus imposed," of providing in their scheme of expansion "for the due representation of the vast diversity of classes, races and interests in the Indian Empire."

II—Structural Plan :—

The Conference is of opinion that the existing uni-cameral plan of these Legislative Councils—the officials and the non-officials sitting together in one chamber—in which lies the root difficulty in regard to these expansions, can no longer suit the expanded Legislature of the future.

The uni-cameral arrangement not only bars the way to adequate enlargements of the Councils, but is otherwise an undesirable and inconvenient arrangement :—

(1) It gives us unpoised popular Legislatures—single legislative chambers without the constitutional balance or steadying force which a two-chamber arrangement alone can supply.

In most constitutional countries as well as in most of the self-governing Colonies of the British Empire, the national Legislatures are constructed on a bi-cameral plan. It is only in isolated countries such as Greece and Norway and in some of the Provinces in the Dominion of Canada that we find the uni-cameral arrangement preferred. In India, under the peculiar conditions of British rule, the need for a balanced Legislature on a bi-cameral basis requires no emphasizing.

(2) The uni-cameral arrangement places both the official and non-official members in an anomalous and demoralizing position—the officials to be in their palaces with no views and no standpoint of their own to represent but only to vote on the side of Government, the non-officials to sit with them at the Council Board to voice public sentiment and opinion but to be out-voted on every division.

Such a position of parties in the Legislatures is a most undesirable position and must tend to lower their prestige, reduce their usefulness, and rob their decisions of much of their moral weight.

(3) Further, the arrangement necessitates the withdrawal of as many as 160 officials—who must be senior men in the service—out of a total cadre of 1000-1100 men from their regular duties for attendance in Council, under the proposed scheme of expansions, and that too, for no other or higher purpose than

that of voting for Government measures,—a withdrawal which must cause serious administrative inconvenience and dislocation of business, and otherwise involve needless waste of power.

(4) In constitutional countries, placemen do not sit and vote in the national Legislatures. In the United-Kingdom they are prohibited by statute from so sitting and voting in Parliament. In India it would seem even more necessary than elsewhere that the officers of Government—engaged in the general work of administration—should hold a position of dignified independence outside these popular Legislatures and the rough and tumble of their discussions and division lists.

(5) More-over, the Conference holds that it is a poor device to seek to maintain in the popular Legislatures the supreme authority of the Executive by means of a numerical preponderance of the official element. A constitutional expedient in this regard—simpler and better by far—is to be found in the construction of the Legislatures on a two-chamber plan and in a proper adjustment of the powers and mutual relations of the two constituent chambers.

III—Elective Representation :—

There is no more gratifying feature of this portion of the Reform Scheme than the concession to the people of the valued privilege of the Elective Representation.

Under the Charter Act of 1853, the *Legislative functions* were for the first time *separated from the Executive*, and independent Legislatures was formally constituted. It was, however, an entirely nominated Legislature composed of official members.

The Councils Act of 1861 made a notable change. It authorised the establishment,—besides the Supreme Legislative Council—of Legislative Councils for the Provinces. These were still to be *nominated chambers but with non-official members* added to represent the people. Sir C. Wood, the then Secretary of State for India, remarked on the point :—"I anticipate that the introduction of intelligent Indian gentlemen into the Councils will bring to their deliberations a knowledge of the wishes and feelings of the Native population, which cannot fail to improve the laws passed by the Councils by adapting them to the wants of the great mass of the population of India."

The Councils Act of 1892 marked a stage in advance. It expanded the Councils—though to a limited extent—and allowed *Election in a modified form* with a view to give to the expanded Councils a representative character. Certain classes,

associations and constituencies were permitted to recommend men of their choice for nomination by Government to the Councils.

It is now proposed to allow *election in its proper constitutional form* in place of the existing process of recommendation, to work along-side of nomination with a view to the due representation of the different classes and interests of the community. The Conference is confident that no concession will be hailed with greater satisfaction.

The system of Elective Representation proposed in the Government scheme is, however, in the opinion of the Conference essentially an oligarchic system of class representation, too narrow and restricted in its scope to ensure to the Councils a sufficient broadening of their base and make them truly and effectively representative of the people.

It is proposed in the scheme to limit the privilege to special constituencies, special interests, special classes, and special territorial Electorates as represented by the District Boards and Municipalities.

The representation is thus distributed :—

Provincial Legislative Councils, 99 seats.			Supreme Legislative Council, 28 seats.	
	Seats			Seats
(1) Special constituencies		14	(1) Commercial interests	4
Presidency Corporations	8		(2) Superior Land-holders	7
Universities	5		(3) Mahomedans	5
Port Trust	1		(4) Provincial Councils —Non-official members	12
(2) Special Interests		17		28
Commerce–European	8			
Commerce–Indian	4			
Planting interests	4			
Mill Industry	1			
(3) Special classes		28		
Superior land-holders	15			
Mahomedans	13			
(4) Special Electorates District Boards and Municipalities.		40		
		99		

The scheme of elective representation so framed is open to two broad—and to the mind of the Conference—fatal objections :—

(1) That the entire representation is special, oligarchic representation.

(2) That while the privilege is allowed to special classes and interests, the vast mass of the population is excluded from all share in it.

I. Special Representation :—

(1)—Representation accorded to (1) special constituencies and (2) special interests calls for no remarks beyond that it touches only small minorities and limited interests.

(2)—The landed interest (3) gets a considerable proportion of seats—15 on Provincial Councils and 7 on the Supreme, in all 22. Small Electorates—100–150 strong—in each Province are to be formed for the purpose. It is admitted that the interests of the landlords are not always identical with those of their tenants.

(3)—As regards the Mahomedans—18 seats are set apart for their exclusive benefit—13 on the Provincial and 5 on the Supreme.

Where as in Bombay, Madras, the Central Provinces and Bengal they are a minority of the population and have little chance of getting their due share of representation, as such their claims are undisputed. But where as in East Bengal and Assam, the Punjab, and Sind they out-number the other communities, or where as in the United Provinces, though a minority, they hold a favoured position, their title to such privilege is open to challenge.

The total Mahomedan population affected by the scheme is 50·6 millions. In East Bengal and Assam (17·86 millions), in the Punjab (10·82 millions) and in Sind (2·44 millions), the Mahomedans (in all 31·12 millions) out-number the Hindu and other communities. In the United Provinces of Agra and Oudh, the Mahomedans number 6·7 millions or about 14 per cent of the entire population, live on most friendly terms with the other communities and have more than their due share of representation on the District and Municipal Boards. So that, 37·85 millions or 75 per cent of the total Mahomedan population under the scheme holds a strong or favoured position. In

Bengal (9 millions), Bombay (1·2 millions) and Madras (2·4 millions), they number about (12·7 millions) and form a minority of the population, whose claims as such deserve sympathetic consideration.

The Government scheme allows them special representation throughout, whether a minority or a majority of the population.

And Lord Morley has stated in his speech in the Lords that the demands of the Mahomedans to elect their own representatives at all stages and for a number of seats in excess of their numerical strength, will be met in full.

There is absolutely no desire in any quarter to dispute the claims of the community as a minority of the population; but when the Mahomedan leaders go further and demand a privileged position, as a distinct nationality divided in interests and sentiments and in hopes and ambitions from the rest of the community and by reason of a special political and historical importance, and demand denominational electorates from the rural base right up to the top and special representation commensurate not only with the numbers but with special position of the community, it is a demand which the whole country must earnestly deprecate and oppose. And the Conference submits that any concession to such separatist claims on the part of the Mahomedan community would be a grievous departure from the principles and traditions of British Indian policy followed ever since British rule commenced, and is fraught with peril to the best interests of India.

The Mahomedans have to recognise with the other communities that *politically the interests of all classes and races in the country are essentially identical, and that it behoves them to meet on the platform of a common citizenship and labour in harmony and in a friendly spirit for the common good.*

(4) As regards the District Boards and Municipalities—these are the only territorial electorates we have under the Government scheme. But constituted as they are at present and with their restricted franchises, they touch only the fringe of the population. Besides, operating as they have to do over extensive unmanage-able areas, they do not well succeed as territorial constituencies.

Such representation is allowed in the United Provinces, Bengal, East Bengal and Assam, Madras and Bombay—4 seats for the District Boards and 4 for the Municipalities in each

Province. As regards the District Boards, we have electoral groups of 6–12 Districts, each covering an area of over 25,000 square miles and containing a population of 4–12 millions. Similarly regarding the Municipalities, large numbers of them are grouped for the purpose over scattered urban areas. Election under such conditions, as the Madras Government points out, loses much of its reality and effectiveness.

II. But the most fatal defect in the Government scheme, in the opinion of the Conference, lies in the total exclusion of the mass of the population from all share in elective representation on the expanded Councils. There is no attempt to build up a comprehensive system of territorial electorates on the basis of the village Panchayats for a due and effective representation of their interests.

Such exclusion inflicts the gravest injustice on the voiceless millions and converts the expanded Councils into close oligarchic Legislatures, in which their interests are handed over to the care of the privileged few whose wishes and needs are admittedly not always in harmony with theirs.

Government admit the fatal defect but think "that no means can for the present be devised of giving" the masses of the people direct representation on the Councils. And they hold the view that "for the present at any rate, the needs and sentiments of the masses of the people must find expression through those, whether official or non-official, who are acquainted with their daily life and are qualified to speak with authority on their behalf."

The classes cannot adequately represent the masses, and as all experience testifies, the masses must have their own chosen representatives in the national Legislatures to protect their interests. As far as this country is concerned, we have our village Panchayats, than which no finer or firmer ground-work could be desired on which to build up an effective system of representation for the masses on the Councils. In 1890 it may be remembered that Sir W. Plowden actually proposed such a scheme of popular representation for India and submitted to Parliament an Indian Councils Bill embodying the proposal.

The Indian Village system is still a living organisation which, though it no longer possesses its old cohesiveness and force, exists as an integral social whole with its net-work of Panchayat Councils. Election and representation are ideas as

familiar to the mind of rural India as are those of the succession of day and night; and the constitution of elective Panchayats for social and other purposes is a familiar every-day occurrence of our rural life. And taking the village Panchayats as the first primary voting units, it is easy to go up the ladder and have representation for the masses on the Councils on a territorial basis and under a system of indirect election by one or two intermediary stages. Viewing the matter in this light, the Conference must express its respectful but emphatic dissent from the opinion expressed by the Government of India as to the impossibility, under present conditions, of framing any feasible plan for the purpose of such popular representation on the Council.

As it is, the failure to utilize the living communal organisations of the country in this respect is a radical defect in the Government scheme, which seriously detracts from its value and effectiveness. The Councils thus constituted can never claim to be truly representative of the various classes and interests in the country.

III. Official Majorities :—

An official majority is a device by which Government secures a majority in the Legislative Councils by means of official members. The official members vote with Government and for Government measures.

It has been decided to dispense with such majorities in the Provincial Councils. The risks involved in the step are thus to be met :—

(1) If the non-official members press undesirable legislation, this should be met by the exercise of the power to withhold assent, possessed by the head of the Government.

(2) Secondly, the range of subjects within the sphere of these Councils is rigorously limited by statutory exclusions ; and there is little reason to anticipate serious mischief.

(3) Besides, with the Councils constituted as proposed and representing such divergent interests, it is unlikely that the non-official members will all unite to resist a measure proposed by the Executive Government.

(4) Should such a combination occur—which is extremely improbable—it might be a good reason for thinking that the proposed measure was really open to objection and should not be proceeded with. In case, however, it should be held necessary to carry through a measure so opposed by the non-official members in any Provincial Council, the Supreme Legislative Council possesses a concurrent power to legislate for any Province and its aid may be invoked, and Lord Morley says, "though I strongly favour a policy that would leave to each local Legislature the duty of providing for its own requirements, still I recognise in this power an ample safe-guard, should under exceptional circumstances a real demand for its exercise arise."

In the Supreme Legislative Council, however, a permanent official majority is held to be "absolutely necessary." The Secretary of State remarks on the point :—"while I desire to liberalize as far as possible the Provincial Councils, I recognise that it is an essential condition of this policy that the Imperial Supremacy should be in no degree compromised. I must therefore regard it as essential that Your Excellency's Council in its Legislative as well as its Executive character should continue to be so constituted, as to ensure its constant and uninterrupted power to fulfil the constitutional obligations that it owes, and must always owe, to His Majesty's Government and to the Imperial Parliament."

Thus briefly it is the will of the Executive Government that must in all cases and under all circumstances prevail, whether the non-official members in the Councils vote with it or not.

Such an arrangement aims a fatal blow at the independence of the Legislatures, tends to reduce them to the position of mere consultative Councils without any decisive voice in the final shaping of legislative measures, and fails to confer upon the people's representatives in the Councils any "larger share in legislation" than they at present possess—such as is promised in the Royal Message of November last.

Thus, on a careful consideration of the Government scheme as a whole in so far as it relates to the constitution of these Councils, the Conference is unable to resist the conclusion that it is altogether a defective scheme—scarcely calculated to carry out the generous intentions of Government in this regard

or give due effect to the noble policy announced in the Royal Message of November last. The scheme, as it is, does not allow of any adequate enlargements of our Councils, nor make them really representative of the people and their varied interests, nor confer on them any larger measure of independence or legislative authority.

The Conference would submit for the consideration of Government the following outline of a modified scheme for the reconstitution of the Councils :—

(1) First, the Conference would propose to reconstitute the expanded Councils on a two-chamber plan, and for these among other reasons :—

(*a*) This is the plan that suits our conditions best. A uni-cameral arrangement would give us unbalanced popular Legislatures which would not do for a country situated as ours is and with such varied social elements and such divergent interests.

(*b*) Secondly, it is the only safe, sound and workable arrangement for the advancing stages of constitutional development, as the experience of the Colonies so amply testifies.

(*c*) Thirdly, it is the plan preferred in most constitutional countries as well as in most of the Colonies of the British Empire.

(*d*) Fourthy, such an arrangement would obviate the necessity, in the interests of the supreme authority of the Executive Government, of taking away any large number of officials from their regular administrative duties for attendance in the Councils to ensure a Government majority.

(*e*) It would remove a serious obstacle to the future advance in the matter of enlargements of the Councils. Our Councils as at present are small official bodies—the official members out-numbering the non-official so as to secure official predominance. With the expansions now proposed, these Councils become popular Legislative assemblies; and these popular Legislatures must grow in numbers as the years roll on, and the requirements of the country grow with every fresh stage of constitutional de-

velopment along the line. And the futility is obvious of any attempt to maintain official predominance by means of a corresponding increase in the number of official members without serious dislocation of administrative business. Under such conditions, the bi-cameral plan offers the only safe solution of the difficulty, the only safe means of maintaining the necessary balance of strength as between the Government and the popular party in the national Legislatures.

(*f*) Such an arrangement, besides, is not open to any practical objection. Where-as in the case of the Provincial Councils there is to be no official majority, it can make no difference in regard to the balance of parties or the transaction of business, whether the official and non-official members sit together in a single composite chamber or apart in two distinct chambers—each with co-ordinate and concurrent authority. In regard to the Supreme Legislative Council an official majority is no doubt insisted on with a view to the maintenance of the supreme authority of the Executive; but the object aimed at might as well be attained under a bi-cameral plan by means of suitable constitutional safeguards.

(2) The Legislatures thus constituted will consist—each of two chambers, one to represent the official side and one the popular. The official chamber may be designated a Legislative Council; the popular, a Legislative Assembly.

Of our 8 major Provinces, 7 have already their Legislative Councils; the Central Provinces and Berar alone have no Legislature of their own. The Conference would recommend that this Province may now be accorded the privilege of a separate Legislature.

It is a most important province with its central position and with a population of about 12 millions—now more than half a century under British rule. It is still a non-Regulation Province under a Chief Commissioner and with an inferior administrative organisation. In spite of this draw-back, the Province has been making steady progress during the past half century in education, in local self-government and in the growth of a constitutional environment and deserves the concession prayed for.

(3) Of the two chambers of the Legislatures so constituted :

(*a*) The Legislative Councils should be nominated by the Crown.

(*b*) The Legislative Assemblies should be elected by popular vote.

(4) As regards the composition and strength of these bi-cameral Legislatures :—

(i) Legislative Councils :—

(*a*) The Provincial Legislative Councils may be small official councils of, say, 12 to 16 members including members of the Executive Council, ex-officio heads of department and other high officers of Government selected for their special knowledge and experience, as well as a few nominated non-officials chosen from among persons of position and influence—retired judges, distinguished educationists, eminent scientists, etc.

(*b*) The Supreme Legislative Council has to be of a larger size and may consist of 30–32 members including 7 members of the Executive Councils, 7 other high officers of Government, 8 Provincial official representatives, chosen by the Provincial Legislative Councils one each, and lastly, 10 non-officials to be nominated from among men of the highest position and influence in the country who would bring to its deliberations long and varied experience gathered in various fields of work—lawyers, retired Administrators of Native States, Jamindars etc.

(ii) Legislative Assemblies :—

These Legislative Assemblies both Provincial and Supreme should be the people's chosen chambers—sufficiently strong and, as far as practicable, representative in their character, reflecting in the composition all the varied elements of the population. They should include representatives of the general population, representatives of important minorities and representatives of special classes, interests and constituencies.

The mode of election may be direct or indirect as may be deemed suitable in each case.

(*a*) Provincial Legislative Assemblies :—

(1) Representation of the general population.

The Conference would organise a comprehensive system of territorial electorates based on the communal system of the country. Each district or (when the areas and populations are small) each group of districts, in no case more than two, should have an electoral college of its own and have the right of returning one representative to the Legislative Assembly of its Province.

The villages in each Taluka should be grouped into unions of 5—10 villages; and these rural unions and the townships comprised in the area should have, as primary voting units, electoral boards to choose delegates to the electoral committee of their Taluka. The franchise may be universal suffrage or on the basis of a small property qualification.

Each Taluka should have as an intermediary unit an electoral committee composed partly of delegates from rural unions and partly of delegates from the townships; and this Taluka committee is to elect its representatives to the electoral college of its district.

And each district (or group of districts) should have an electoral college of its own, thus composed of delegates from the Talukas, to elect its representative to the Legislative Assembly of its Province.

(It may be added that both the Governments of Bombay and Madras are in favour of allowing representation to the Districts on the expanded Councils of the Province).

(2) Representation of minorities :—

The Mahommedans, the Sikhs, the Native Christians, the domiciled European community, the Parsis,—all these should have special representation in proportion to their numbers. There may be direct election where possible as e. g. in the case of the Parsis,

or indirect election where necessary as e. g. in the case of the Mahomedans through electoral committees and electoral colleges.

(3) Representation of special class:—Such as the landlords, special interests such as tea, jute, mills, etc., and special constituencies such as the Universities. In all such cases special electorates may be formed for the purpose of returning representatives to the Councils as is proposed in the Government scheme.

So constituted, these Provincial Legislative Assemblies would work out somewhat thus:—

Madras (24 Districts) will have a Legislative Assembly of	40
Bombay (26 Districts)	40
Bengal (34 Districts)	50
U. Provinces (48 Districts)	50
East Bengal and Assam (29 Districts) ...	40
Punjab (29 Districts)	36
C. Provinces and Berar (22 Districts) ...	25
Burmah (41 Districts)	25

(*b*). The Supreme Legislative Assembly:—

The Legislative Assembly of the Supreme Legislature may consist of, say, 32 delegates selected by the 8 Provincial Legislative Assemblies—each returning four, 2 for the districts, 1 for the minorities, and 1 for the special classes and interests, to be chosen by the representatives of these constituencies in the Provincial Assembly.

Working of these two-chamber Legislatures—

(1) The Legislatures both Supreme and Provincial should have their sphere of work defined by statue as now. The Provincial Legislatures to legislate only for their respective Provinces; the Supreme Legislature to legislate not only for the whole country but also for any Province on its own initiative or at the instance of the Provincial Government concerned.

(2) The two chambers are to have co-ordinate and concurrent authority. Both should have an equal right of initiative in legislation. The concurrence of both should be necessary to the passing of legislative measures. A Bill rejected by either falls through.

(3) The head of the Government may depute special officers to either chamber for the purpose of answering questions, presenting papers, and supplying information on behalf of Government. The officers so deputed should sit in the chambers, may take part in the discussions, in no case are they to vote.

(4) The assent of the head of the Government as representing the Crown should be required to the passing of all Legislative projects. He may give or withhold his assent as he deems fit.

(5) When the chambers agree, the proposed Legislative projects should be submitted to the head of the Government for assent. When they differ,

(*a*) In the case of the Provincial Legislatures, they fall through and ought not to be presented to the head of the Government for assent. The Provincial Government concerned may, if it thinks fit, move the Supreme Government to take up the desired legislations.

(*b*) In the case of the Supreme Legislature the Governor-General-in-Council should have the power under statutory regulation, where he deems it absolutely necessary in the public interests, to overrule the Legislative Assembly with the previous sanction of the Secretary of State.

IV. Extension of the powers and functions of the Legislative Councils.

The Conference begs to record its high appreciation of the proposed concessions in this regard.

Under the Act of 1861 the work of the Councils was strictly confined to Legislative Enactment.

The Act of 1892 allows debate on the annual financial statement—although no legislation is involved, and in this debate it is permissible for members to draw attention to any matter of public interest whether it arises directly or indirectly out of the Budget proposals or not. The Act also allows the right of interpellation—subject to such restrictions as Government may prescribe. No amendments, however, are allowed to be moved on the Budget proposals and no discussion in respect of any answer given by Government.

It is now proposed to relax these restrictions and permit greater freedom of debate and ampler opportunities for the expression of views.

(1) It is proposed to give power by statute to members to move resolutions on matters of general public importance, the resolutions to be in the form of recommendations. The final decision in all cases is of course to rest with the Government and not with the Councils. In the event of a resolution not being accepted, an opportunity would be taken, Government assure us, of explaining its reasons.

(2) It is further proposed by way of extension of the right of interpellation, to permit the asking of supplementary questions.

(3) Thirdly and lastly, it is proposed to afford to the Councils larger opportunities of expressing their views on the Budget. The Councils may discuss and record their opinions by vote on the financial proposals of the Government. Government of course retains in its hands the powers of both original initiative and ultimate control.

The proposed extension of the existing powers and functions of the expanded Councils in all these three directions is a most important feature of the Government scheme of reform and will be hailed with grateful appreciation, as calculated to bring the people's representatives into closer, more real touch with the general course of Administration and otherwise improve and strengthen their position.

In respect of the budget proposals, however, the Conference would earnestly pray for a much larger measure of concession than is contemplated.

Extended facilities for debate and discussion in Committee and in Council are no doubt allowed; and the valued power, too, is conceded to the members to move formal resolutions on the financial arrangements for the year. But these resolutions and votes are strictly and rigorously to be in the nature simply of recommendations which the Executive Government may or may not accept at its discretion. What public opinion in the country asks for, is not merely extended opportunities for expression of views and for the tendering of advice and suggestion to Government, but a larger and more effective voice for the people's representatives in the Councils in the final

shaping of the annual budgets—Imperial and Provincial alike,—which, apart from their intrinsic importance, have such a close and vital bearing on the well-being of the people.

(*a*) As regards the Provincial Budgets:—

As things are at present, strictly speaking, the Local Governments have no Budgets of their own—no independent sources of revenue and no independent heads of expenditure. They have only a portion of their Provincial Expenditure transferred to their control and are granted assignments of monies from the Imperial Treasury for the Provincial services, and their sole concern is to adjust their expenditure to their allotted income. Taking the Accounts for 1906–07, the total amount of assignments thus placed at the disposal of these Local Governments is 32·7 crores or just 30 per cent of the aggregate Imperial revenues. A large portion of the money so allotted is for obligatory expenditure—including cost of collection and General Administration; and it is only the small residue—about a third of the total assignments—that is all that the Provincial Governments have at their free disposal. And their Budget arrangements consist in allocating this small portion of their revenues to various Provincial purposes. There is here absolutely no question of the constitutional Power of the Purse—no question of Imperial obligations or responsibilities; and the Conference submits that the expanded Councils may be permitted to decide by their free and unfettered vote on such adjustments of their Provincial expenditure.

The Municipalities and District Boards are permitted to vote their own Budgets—over 10·2 crores of income and expenditure; and the Conference is strongly of opinion that the new expanded Councils ought not to be placed by statute in any worse or weaker position in this respect.

(*b*) As regards the Imperial Budgets :—

The question touches the Power of the Purse; and the Conference at this stage of the country's constitutional advance would generally acquiesce in the Government proposals. In view, however, of the vast importance of the subject, the Conference would respectfully ask in the interests of sound and beneficent administration that the non-official members of the Supreme Legislative Council, as representing the public opinion of the country, ought to have the very amplest opportunities of placing their views in the shape of formal resolutions before Government on every broad aspect of the Imperial Budget—whether on the side of revenue or of expenditure; and that there may be no needless restrictions on the freedom of such debate and discussion.

Government proposes, however, to exclude from the permissible range of debate certain important heads of the Imperial Budget,—on the side of revenue, Stamps, Customs, assessed Taxes, etc.; on the side of expenditure, Army, Marine, Military Works, Debt, Railways, Statutory Charges, etc. These heads, particularly on the side of expenditure, scheduled for exclusion cover a very wide area of the Budgetary arrangements; and the proposed exclusions would be felt as a most serious grievance, as imposing unnecessary restrictions on freedom of debate; and as Government proposes to maintain in its hands the power of both original initiative and ultimate control, the Conference prays that these scheduled exclusions in the Imperial Budget may be dropped

2. The Executive Councils.

The contemplated changes are :—

(1) Creation of Executive Councils for the Provinces under Lieutenant Governors.

(2) Enlargements of the Councils of Bombay and Madras.

(3) Appointment of Indians to the Executive Councils.

(1) Creation of Executive Councils for the Provinces :—

As at present, of the 8 major Provinces, Bombay and Madras are under Governors assisted by Executive Councils; Bengal, East Bengal and Assam, Burma, the United Provinces, and the Punjab are under Lieutenant-Governors without Councils to assist them; while the Central Provinces and Berar are a non-regulation Province under a Chief Commissioner.

The Conference ventures to think that the time has come for elevating all these latter 6 Provinces including the Central Provinces and Berar to the status of Presidential Governments and placing them like Madras and Bombay under Governors appointed from England.

A change is rapidly coming over the position of the Provinces, which in the interest of progressive administration deserves to be recognised. They are no longer Local Administrations—confined to the simpler duties of collection of revenue and maintenance of peace and order—but they are Provincial Governments proper, each with a Legislature, an administrative organisation and a financial system of its own; and the interests of administrative efficiency and progressive development alike require that these Local Governments should be presided over—not by Lieutenant-Governors or Chief Commissioners recruited from the Indian Civil Service,—but like Madras and Bombay by Governors appointed from England.

India is passing through a most important stage of her political progress; and the Conference considers it essential that she should have as heads of Local Governments to preside over the transition and guide her to a higher plane of political life, Governors brought out from the free atmosphere of England—statesmen chosen from the front ranks of public life,—who would bring to their work in India a wider outlook, a greater breadth of view and a larger experience of representative institutions than purely Indian experience can supply.

In this connection, the Conference notes with regret that Lord Morley is inclined to uphold the existing arrangement and retain at the head of the Local Administrations officers chosen from the Indian Civil Service—trained and experienced only in the routine duties of Indian Administration, and with no broader outlook or larger experience. The Conference, however, is not without hope that on a further consideration of the matter the Secretary of State will see reason to revise his judgment.

When the Provinces are so levelled up to the higher status of governorships, the Conference would give its most hearty support to the Government proposal to give them the assistance of Executive Councils as in Bombay and Madras composed of Indian officers of the highest standing in the administration. Even should it be decided to maintain the existing arrangement untouched and retain Lieutenant Governors at the head of Provincial Governments, the Conference submits that the institution of Executive Councils to assist them as in Bombay and Madras, as is proposed in the Government Scheme, is a most necessary and desirable step in the interests of sound and progressive administration.

The Conference regrets that Clause 3 of the India Councils Bill authorizing the creation of such Councils has been vetoed in the Lords, but is not without hope that the said Clause will be re-inserted in the Bill when it is submitted to the Commons.

(2) Enlargement of the Councils :—

The strength of these Councils in the opinion of the Conference may not exceed 3 members, as contemplated by the Charter Act of 1833, one of whom should be *by statutory regulation* an Indian.

These Councils are intended not so much to share with the Governors the detailed control of the Executive administration, as to assist them with a knowledge of local conditions and administrative requirements which they most require but lack, and any larger number of members would seem unnecessary.

(3) Appointment of Indians to the Executive Councils:—

Such appointments will mark a most important advance on the existing arrangement, and while bringing great strength and valued assistance and support to the General Administration, will give deep and wide-spread satisfaction. Such admission of Indians to a participation in the duties and responsibilities of administrative work in its highest sphere will be welcomed with grateful appreciation as a generous step in fulfilment of the noble promises of the Queen's Proclamation of 1858.

On this point the Conference has only three suggestions to submit:—

(*a*) That such appointments should be guaranteed by statutory sanction.

Executive resolutions must at best be lacking in strength and certainty. Views and policies may change and the practice of making such appointments may be interfered with and eventually dropped, and may not be suffered to grow into a confirmed rule. Such a statutory regulation might be objected to as setting up racial standards in reference to a matter regarding which there should be no such considerations. The exclusion of Indians, however, from these Councils so rigorously maintained up-till now in spite of the promises of 1833 and 1858, is a sufficient reply to the objection on its practical side and points to the necessity of statutory regulation.

(*b*) That no service rule may be made applicable to these Indian appointments. Such a rule, if made applicable, would unnecessarily restrict the area of selection and considering the existing conditions of recruitment for the higher branches of the public service, interpose a formidable, if not insuperable, obstacle in the way of Indians getting into these Councils.

(*c*) That Indians may be appointed to such seats on the Executive Councils on the recommendation of the non-official members of the expanded Legislative Councils.

Such an arrangement exists in the Crown-Colony of Mauritius and is found to work there most satisfactorily.

Such are briefly the views of the Conference on the subject of the Reform proposals. The Government Scheme is in many respects defective; but, if modified and amended in the directions suggested in the fore-going prayers, would in the opinion of the Conference not only serve to place the constitution of the Government of India on a broader and sounder foundation, but tend to advance in a most effectual measure the well-being, happiness and contentment of His Majesty's Indian subjects.

And, in conclusion, the Conference begs to repeat its most grateful appreciation of the policy—enunciated in His Majesty the King-Emperor's message to India of November last and to which the Scheme at present under the consideration of Parliament is intended to give effect—a policy as noble in its spirit as it is comprehensive in its scope.

APPENDIX.

Tabular statement showing the changes as proposed in the Government Scheme—in the numbers and constitution of the Indian Legislative Councils.

Representation.	Supreme Legislative Council.		Provincial Councils as now.									Prov. Councils as proposed.								
	As now.	As proposed.	Madras Pop. 38·2 mill.	Bombay 18·5 mill.	Bengal 50·72 mill.	U. P. 47·69 mill.	East Bengal and Assam 30·9 mill.	Punjab 20·3 mill.	Burma 10·49 mill	C. P. & B. 11·99.	Total.	Madras 38·2	Bombay 18·5	Bengal 50,7	U. Prov. 47·5.	East Bengal and Assam 30·9.	Punjab 23·3.	Burma 10·4.	C. P & B. 11·9.	Total.
Viceroy, Governor or Lieut. Governor	1	1	1	1	1	1	1	1	1	No Council.	7	1	1	1	1	1	1	1	No Council.	7
Members of Executive Councils &c....	8	8	2	2	...						4	2	2							4
Advocate-Generals			1	1	...						2	1	1							2
Nominated { Officials	9	8+15=23	9	9	10	7	7	4	5		51	20	20	23	23	18	12	8		124
Additional { Non-Officials	2	3	4	3	3	2	2	5	4		23	4	3	3	4	3	7	7		31

Elected.																					
Corporations of Cities			1	1	1					3	1	1	1	2		3			8
Municipalities and District Boards...	4	12	4	3	3	4	3			17	8	8	8	8	8				40
Universities	*		1	1	1	1				4	1	1	1	1		1			5
Chambers of Commerce	1	2	1	1	1	1	1			5	1	2	2	1		1	1		8
Indian Commercial Community ...		2									1	1	1	1					4
Land-holders		7			1		1			2	4	3	4	2	2				15
Planting Community											1		1		2				4
Mill Industry												1							1
Port-Trust							1			1					1				1
Sardars				2						2									
Mahomedans		5									2	3	2	4	2				13
Total.	25	63	24	24	21	16	16	10	10	121	47	47	47	47	37	25	17		267
Ex-Officio and Officials	18	32	13	13	11	8	8	5	6	64	24	24	24	24	29	13	9		137
Nominated Non-Officials	2	3	4	3	3	2	2	5	4	23	4	3	3	4	3	7	7		31
Elected	5	28	7	8	7	6	6			34	19	20	20	19	15	5	1		99

* Elected by Non-Official Members of Prov. Councils: Madras, Bombay, Bengal, U. P.

SUMMARY.

SUPREME LEGISLATIVE COUNCIL.

As now.			As proposed.		
Ex-Officio		9	Ex-Officio	9	
			Officials representing Provinces	8	35
Nominated		11	Nominated Officials	15	
Officials	9		„ Non-Officials	3	
Non-Officials	2				
Elected		5	Elected		28
Prov. Counc.	4		Prov. Counc.	12	
Cham. of Comm.	1		Land-holders	7	
			Mahomedans	5	
			Cham. of Comm.	2	
			Indian Commerce	2	
		25			63

PROVINCIAL LEGISLATIVE COUNCILS.

As now.				As proposed.			
Ex-Officio		13		Ex-Officio		13	
Additional		108	121	Others	*254		267
Nominated Officials		51	74	*Nominated Officials		124	155
Non-Officials		23		Non-Officials		31	
Elected			34	Elected			99
District Boards & Municipalities		17		District Boards & Municipalities		40	
Other Electorates		17		Other Electorates		59	
Corporations	3			Corporations	8		
Universities	4			Universities	5		
Cham. of Com.	5			Cham. of Com.	8		
Port.	1			Indian Comm.	4		
Land-holders	2			Land-holders	15		
Sardars	2			Planters	4		
			108	Mill-Owners	1		
				Port.	1		
				Mahomedans	13		
							254

NOTE ON AGRICULTURE IN BOMBAY.*

Leaving out of account our rising mills and factories, which, though full of promise for the future, give work as yet to but a fraction of our labour, we find that agriculture is still with us, as elsewhere in India, almost the sole occupation for the mass of the people as well as their only means of subsistence. Over 80 p. c. of the population is resident in villages, and for the most part lives by the tillage of the soil; and even a considerable portion of the remaining 20 p. c. found in the towns is agricultural. The census enumerations of 1872 and of 1891 disclose but a slight variation in the relative strength of our rural and urban classes. The old balance of rural and urban industry continues as perilously critical as ever, and the future economic safety of the Presidency is the reverse of being hopeful or assured. It is painful, after a century of British rule and its new light and life and elevating influences, to have to recognise the fact that the mass of our population is at this hour as absolutely as ever at the mercy of soil and sun, and wind and rain, for its very daily bread. Nowhere perhaps in the civilised world is there such hopeless dependence on an industry—so uncertain in its returns, and in its nature capable of only limited expansion. But what makes the situation grave, and gives cause for anxiety, is the fact that this industry—which constitutes the sole, surviving stand-by of the people,—is in a most unsatisfactory condition. There is a consensus among careful observers that the soil is undergoing rapid exhaustion under a reckless and exhaustive system of agriculture, and that the outturn is slowly falling away. This is a grave state of things, and we are convinced that unless there is a radical change in the existing conditions under which the industry is carried on, it is hopeless to expect any real improvement. The question, therefore, of agricultural reform is to our thinking one of immediate practical urgency, and we make no apology for inviting the Conference to a careful consideration of the present position.

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* This note, written by Mr. G. V. Joshi B. A., Head Master, Sholapur High School, and read at the last Industrial Conference held on the 14th September 1894, has been kindly placed at our disposal by him.—*Editor, Sarvajanika Sabha Journal.*

This paper was published in the Journal of the Poona Sarvajanika Sabha, October 1894.

We would begin with a brief review which will be confined to the Presidency proper, excluding Sind for which sufficient information is not available. Our review deals with a period of 20 years from 1872-73 to 1892-93. The year 1872, though the year of the first regular census of the country, is not a good year to start with for purposes of such a comparative retrospect as being a year of agricultural depression, with a scanty rain-fall and falling prices, but official statistics do not enable us to go further back. The period selected, however, is long enough to bring out in clear relief the permanent features of the situation.

On a general survey of the facts, the conclusion forces itself on the mind that our position in respect of agricultural industry is one of serious depression. The results of the detailed inquiry are put in the form of a tabular conspectus (annexed) and may be briefly summarised as under :—

During this period of 20 years, we have an

Increase of	Population	13·4 p. c.
,,	,, Revenues (general)	39 p. c.
,,	,, ,, (land)	22 p. c.
,,	,, Foreign Export (India)	84 p. c.
,,	,, General prices	12·8 p. c.
,,	,, Cropped Area	2·6 p. c.

The first four increases represent a largely enhanced demand on the land, partially balanced by the 12·8 p. c. rise in prices, and it is disheartening to find that this increased demand has not been in any adequate measure met either by extension of cultivation or improved husbandry.

(1) Taking, first the cultivated areas—we have an increase of only 5¼ lakhs acres or 2·1 p. c. And yet a much larger extension of agricultural operations might have been carried out, there being over 18 lakhs of acres awaiting the plough in the various districts of the Presidency. Much of the remaining land, however, is no doubt very poor, but the economic pressure ought to have supplied the requisite stimulus to agricultural enterprise to push on tillage even to these waste areas.

(2) Passing next to double-cropped areas—or what the Government of India designate as vertical extension of cultivation, we find that such acreage has advanced from a trifle over 3 lakhs to 7¾ lakhs—and thereby increasing the total cropped area of the Presidency by 1·5 p. c. The advance in the people's

resort to this method of extending cultivation has been much larger in most of the other provinces. This double culture system opens up a new and promising line of possible agricultural development, and is likely to afford increasing effective relief to an advancing population pressing upon the soil. Fortunately the climate conditions of the country permit of practically unlimited recourse being had to this method for increase of produce ; and provided care is taken to replenish the soil by an adequate use of manure and water—otherwise there would be the serious danger of accelerated soil-exhaustion—double-cropping forms a limitless addition to our reserve of economic strength. But the Bombay Ryot is as yet too apathetic and resourceless to profit by this system.

Taking both kinds of cultivation we have a total increase in our cropped area of 3·6 p. c. during these 20 years—evidently a most inadequate advance to balance the pressure of increasing Population, Revenue and Export.

(3) Let us next inquire if the economic balance has been maintained by improvement in the style of husbandry and increased yield from the soil. Here too, the result reached is disappointing. There is not much direct positive evidence on this point, but we have strong indications which in their cumulative effect leave no doubt in the mind that there is a serious deterioration in our position.

(*a*) First as regards the Ryot's agricultural stock—we have some increase in the number of ploughs but a considerable decrease in plough cattle—which, taken concurrently with an enlarged cropped area, means worse ploughing. And in fact observers find that the ploughing done in these days is much inferior. It is of the nature of superficial scratching and does not tend to increase the absorptive and retentive powers of the soil ; and when rain comes in heavy showers, it rushes off the lands which are seldom protected by embankments, and carries away vast quantities of rich plant food. The rain water does not usually soak to any great depth, and much of it only runs off the surface. Besides, the crops grown are mostly cereals or grasses (over 70 p. c.)—which are surface soil-feeders, and as the subsoil is seldom brought up owing to shallow ploughing, the surface soil gets more and more exhausted by repeated unmanured cropping.

(*b*) Next as regards manuring—the Ryot's available manure supply is undergoing much contraction owing to a variety of causes, but it is still enough for about 20 p. c. of his

acreage. But strange as it might appear, he seldom manures even half that area, thus leaving 90 p. c. of the cropped area of the Presidency all but unmanured.

(*c*) Passing thirdly to irrigation—Irrigation with us is an absolute necessity; the rainfall is more or less variable, and limited to but a few months of the year; the holding off of rain even for a couple of weeks may turn a good season into a bad, and injure the crops. Besides, agriculture is in these lower latitudes emphatically "agriculture by irrigation and manure," as it is agriculture by drainage and manure in the higher. In a country like ours, therefore, it is indispensable that the agriculturist should have at his command an artificial irrigational supply, both to supplement the deficiencies of the seasonal rainfall, and also as a means of increasing production by the method of double-cropping and the growth of green and fodder crops. But with all the efforts of the past 20 years and more, we find that our total irrigational supply—even including old works out of repair—is most inadequate. It is barely enough for $\frac{1}{10}$th of our cropped acreage, and the fact remains that full 90 p. c. of our lands under crop are exposed from year to year to all the capricious fluctuations of the seasons! But what is still worse is that the Ryot does not care even to make a fair use of the restricted supply he has at his disposal. The total irrigated area is about 8 lakhs of acres or 3·2 p. c. of the cropped area, and the remaining 96 p. c. and more is dependent on the variable rainfall of the seasons. Besides, it is observed that in respect of the major part of the irrigated acreage, the cultivator uses artificial irrigation only to save ordinary crops in seasons of draught; or to help them over short periods of deficient rainfall, and rarely as a means of improving his acres or growing better crops. In the Annual Report of the Director of Agriculture for 1891-92, it is stated that during the 5 years 1886-87——1891-92 the increase in the number of irrigational wells was 10,196, and on analysis of the figures we find that 7,576 new wells were constructed, and 2,620 old wells repaired by the Ryots during the period. This is no doubt a hopeful feature of the returns, but we observe as *per contra*, that so many as 29,405 old works (26,293 wells, 1929 tanks, 1183 bandharas and other works) are in disrepair; and 3,320 tanks remain in disrepair and disuse in the single district of Dharwar. Government also tried some time ago to call out self-helping effort in this direction by inviting cultivators in Gujarath and the Southern Maratha Country to contribute to the cost of repairing these old works, as a condition precedent to the execution of such repairs by the

Department of Public Works. But the scheme failed, and last year it was decided to undertake the repair and up-keep of such works, both large and small, from Public Works grants, "preference being given in order of execution to works towards the cost of which cultivators are willing to contribute in money or labour or both." Obviously Ramji bin Raoji has little means—and less motive—for such efforts to help himself.

(*d*) Fourthly, as regards the application of restorative methods—Rotation and mixed cropping are practised only here and there in good lands; but the general system of cropping, under which 90 p. c. of the cropped area is laid under what are technically called exhaustive crops, leaves but little scope for a proper alternation of crops,—cereals and legumes,—so as to secure the maximum advantage of surface and sub-soil. The cropping continues from year to year without due manure and water-supply, and without any attempt at restorative rotation till the last stage of soil-exhaustion is reached, and lands lie unsown and replenish themselves under the action of natural forces. This brings us to what are called "current fallows" in the official returns.

Fallowing is an old and rude restorative method, and where, as in Australia or America, there are vast reaches of soil of virgin fertility awaiting the hand of man, is both practicable and advantageous; but in an old country like ours, where population so hardly presses upon the soil, and where every acre we could get is required to be under crop, recourse to this method, in preference to manuring and other restorative means, involves a needless, positive waste of resource. Science teaches us that it is by no means impossible to have continuous cropping on the same soil from year to year, and without the least loss in productive power, under a judicious use of manure and water. Besides, in India our lands perforce lie fallow for six months of the year, therefore seldom require such rest. The result is that practically we have no fallows proper in this country. The Ryot leaves a large portion of his land unsown every year either for want of means or—(and this is often the main reason)—because the soil under continuous unmanured and unirrigated cropping gets so far exhausted as to yield little or no return to his industry. We have now close on 50 lakhs of acres as the area under current fallows or over 15 p. c. of the total occupied area. The ratio of such fallows to cultivated areas is not so high elsewhere, except in Madras. In 1873-76,

it was on an average 13 p. c. (about 38 lakhs); during the last 20 years this fallowed acreage shows an increase of over 10 lakhs. This is an alarming increase, and whether it is due to the Ryot's growing want of means, or to the progress of soil-exhaustion, it is to our minds a decided indication of agricultural deterioration. In this Presidency, the agriculturist pays not for *cultivation* but for *occupation*, and whether he puts his occupied acres under crop or not, he pays his assessment on the whole *occupied* area all the same. Taking the average rate of assessment at 1 Rupee per acre, it is clear that he pays to the State half a crore in assessment on lands on which he does not and cannot grow even a single bushel of corn,—a good round price paid for the barren privilege of *occupation*. In other words the loss to the community in regard to agricultural produce—even putting it at 9 bushels per acre,—comes up to 45 millions of bushels,—a measure of corn which could supply food to 4 millions of people! Our population during the last 20 years has not increased even by 2 millions, and if the Ryot only takes the trouble, or rather has the will and the energy and the means to crop these fallow acres, there will be no need for anxiety about the food supply for our growing mouths for half a century to come. But where is the stimulus to work to come from?

N. W. Provinces.	8 p. c.
Oudh.....	6 p. c.
Punjab.....	13 p. c.
Central Province	12 p. c.
Madras.....	23·2 p. c.

(*e*) Coming (fifthly) to the outturn of a crop,—the data are very meagre. Besides, the yield must vary from season to season, and from field to field; but allowing for all such variations, and taking good years with bad, there is the widely prevalent belief that it is steadily diminishing,—particularly on dry crop lands which means 96·5 per cent of our cropped area. The Rothamsted experiments establish the fact that the produce of land cropped continuously without manure falls away in an ever-decreasing ratio, and comes down in 40 years from 17 to 9 bushels; and so competent an observer as Sir J. Caird thinks that "the present average produce is *below 10 bushels* an acre" (Report on the Condition of India, Page 45). The exhaustion of the soil is proceeding apace under the Ryot's reckless, ignorant, and exhaustive system of culture, and we have almost reached the stage. The increasing area which has to be left uncropped from year to year is another indication of the same result. The laws of nature cannot with impunity be defied; and when we remember how the Ryot crops his acres season after

season, and takes away exhaustive crops without taking care to return to the soil what he is taking from it, or even ploughing it deep enough to allow natural influences to replenish it, the penalty he brings down upon himself in the shape of a diminishing yield need occasion no surprise. But it only suggests an observation that the penalty is a needless, self-inflicted penalty, which it lies in his power to escape from, if he will but follow a more rational method of culture. An increase in the out-turn of even a couple of bushels to the acre would provide food enough for 5 millions of increase in the population of the Presidency.

(*f*) Lastly, we come to *cropping*—On analysis of the returns, we find that there has been not much change during the last 20 years in respect of the nature of the crops grown. The slight variations, however, which are discernible, strongly point to a decided decline. In 1872-73 the area under non-food crops, including sugar-cane, cotton, tobacco, and oil-seeds, was 5·4 million acres; whereas in 1892-93, the acreage under these crops was only 4·8 million acres. Similarly, if we take recent figures, we find the same tendency to deterioration further accentuated. Comparing the crops of 1892-93 with those of 1887-88 the decreases under rice, wheat, tobacco, sugar-cane, oil-seeds, cotton and dyes are more or less considerable—amounting to over 6 lakhs of acres.

The salient points of the foregoing brief review may be thus summed up :—

(1) that cultivation—including double cropping—shows an advance of only 3·6 p. c. during the last twenty years;

(2) that the area under irrigation has increased by little more than 1 p. c. and is still only $3\frac{1}{2}$ p. c. of the total area;

(3) that the general style of cultivation discovers a marked deterioration; ploughing and manuring, and the application of restorative methods, being all worse than they were 20 years ago. Three-fourths of the cropped area only is harrowed each year, and ploughed—and that too very imperfectly—once in four or five years; nearly 90 p. c. is cropped year after year without manure, and 96 p. c. is unirrigated. The Ryot—as far as intensive husbandry is concerned—does not, strange as it may appear, make the best use even of the scanty resources he possesses;

(4) that under a deteriorating system of culture, the exhaustion of the soil is proceeding apace, and that the outturn per acre is gradually diminishing, and in respect of some crops (*e. g.* wheat) has already fallen to the lowest point. The area under fallows is steadily growing;

(5) that on an analysis of the crop returns, a decided tendency to qualitative decline—especially in recent years—is clearly discernible; and lastly,

(6) that an inter-provincial comparison reveals the fact that the Presidency, in many points of agricultural importance, is worse off than most of the other provinces.

With such a decided deterioration in all the essential elements of agricultural strength during the last 20 years on the one side, and large increases in population, revenue and exports—only partially balanced by a small rise in prices,—the position clearly is one of serious economic depression. The necessary equilibrium between the national industries and the demands of a progressive civilization has not only not been maintained, but violently disturbed. And the disturbance will appear all the more grave when it is remembered that the year 1872-73 was not a good-season year, as compared with 1892-93.

Viewed as a whole, the situation is one which cannot be contemplated without the gravest apprehensions. Agriculture, as said before, is the one industry by which we live, and upon which we rely for all our means of economic progress in other directions. It is the one source from which the nation gets its food-supply, the State, its increasing revenue, and the trader, the bulk of his exports, and the means of paying for his imports. Briefly, this industry is the main-stay of our entire economic life. And it is painfully disquieting to find that this main prop is failing and giving way. What further adds to the gravity of the situation is the growing listless apathy observable on the part of the Ryot—the one worker on whom the whole nation depends; he does little to help himself, and yet refuses, in too many cases, to be helped. The result is, that both the soil and the tillage of the soil are fast deteriorating in his hands to the serious prejudice of the national interests. The outlook is gloomy, and all indications open to observation point to an approaching economic dead-lock of the severest type.

But there is a bright ray of hope that relieves the gloom of the prospect. The State with us is not an unconcerned spectator of the approaching crisis. Rising superior to the doctrinaire theories of *laissez faire*, it realizes to its full extent its own responsibility in the matter, and is prepared, in generous sympathy with the national requirements, to take measures, as far as it lies in its power, to maintain the agricultural industry of the country "at the highest attainable standard of efficiency." (Government of India Res. 1881). And indeed we find that during the last 20 years it has been making vigorous efforts in many ways to help the Ryots, and promote the interests of agriculture. Its action has been partly *legislative* and partly *executive*.

As regards legislation—the Civil Procedure Code has been several times amended in favour of the agriculturist; an improved Land Revenue Code (1879) has been adopted, and provisions have been added later (1886), guaranteeing in the most complete and explicit manner the non-taxation of private improvements, with a view to encourage the application of enterprise and capital to the land. A series of Acts for the relief from indebtedness of the old landed aristocratic families in Gujerath and in Sindh have been passed. But above all, the most important and comprehensive legislative measure of the period has been the Deccan Agriculturists' Relief Act of 1879. It is a statute of remarkable breadth and wide-reaching effect, and resembling as it does both in its aims and leading provisions the Jhansi Encumbered Estates Act of 1882, is intended to bring to the indebted peasantry of the Deccan the same sort and extent of relief that has been conceded to the large proprietary families of Gujerath and Sindh, Oude, Chota Nagpur and Jhansi. Under this Act, when the indebted Ryot institutes a suit for an account of his old debts or for the redemption of his mortgaged holding, the Courts are empowered to go behind the bonds and inquire into the history and merits of the claims against him, and determine their extent on a reasonable basis, and enforce an equitable settlement of them. Lastly, to supplement judicial action, the Tagavi and Loans Acts have been revised, and liberal rules have been framed thereunder.

Nor is Governmental action confined to the passing of relief legislation for the agriculturists. An extensive scheme of executive action is being pushed on with remarkable vigour to promote the improvement of agriculture.

(1) Vast sums are being spent on the development of communications by rail and road, to connect the rural parts with the large centres of industry and trade, and to extend the market for agricultural produce. In 1892-93 the outlay on these works was 26½ lakhs. The railway mileage open for traffic under the control of the Bombay Government has largely increased, and is now 5,783 miles.

(2) *Irrigation*—A large expenditure is also being incurred for the purpose of extending irrigational facilities. Already over 2½ crores have been spent on the construction of canals and storage tanks, which can now irrigate more than half a million acres, and "command" a still larger area—to which the supply can be carried if need be. Even with regard to the repair and upkeep of old works, Government recently decided to undertake the work departmentally, independently of popular contributions in money or labour.

(3) A large system of Forest Conservancy is being vigorously elaborated and pushed on under expert directions. We have now 12,832 sq. miles under forest or about 17 p. c. of the total area; and large operations in the direction of creating communal forests and fuel and fodder reserves for the direct benefit of agriculture, are under contemplation. It has been estimated that about ¼ of the area of the country must be under forest to permanently ensure the requisite modifications of soil and climate in favour of agriculture. In Germany 25·7 p. c. of the total area of the empire is occupied by forests—under State control.

(4) As regards Tagavi advances—considerable amounts are advanced, under special Acts, to needy Ryots at a low rate of interest from the public treasury, for the purchase of seed and cattle, and for purposes of land improvement. In 1892-93 over 6 lakhs were so lent. And efforts are being made under more liberal rules and a simplified procedure to make the system popular and effective.

(5) And similarly in various other minor ways—in the matter *e. g.* of cattle-breeding, veterinary aid, distribution of seed, cattle-shows and exhibitions—Government is doing a vast deal for the cultivators.

(6) But above all we have a well-organised Department under distinguished expert control, to look after our agricultural interests, and guide the action of the State in useful and needful directions.

On the whole, the Government scheme of operations is a large and varied one, and we only wish it were larger and more varied still both in its aims and methods. The weakness of the plan seems to us to be that it places too exclusive a reliance on the agency of the State Departments. For the most part, it ignores the popular element, and never seeks to enlist the co-operation of the people in the work which concerns them so vitally. And yet their active association with these measures on a footing of well-defined responsibility will be attended with the best moral results, and render State action more effective. State agency, however well-directed, must be defective in a field of effort lying outside the proper sphere of State interference. With regard to Forest Conservancy, for instance, the administration would certainly be much more successful and popular than at present, if it were to be assisted by the village communities,—or communal unions—particularly in the work of forming fuel and fodder reserves and communal forests on the village waste lands. Similarly we agree with Dr. Vocleker that, while canals and large tanks should be carried out by the State through its P. W. Department, the construction and maintenance of minor works, such as small distributary channels and irrigating tanks, might be advantageously left to such communal agency. And so also, with regard to Tagavi advances—the true aim of State action should not be to supplant the Marwadi who is a necessary integral part of a healthy industrial system, and destroy his business—which would injure that system in its most vital point—but to place his relations with his debtors on a more equitable basis; and the success of the Government policy is to be measured, not as is too often done, by the number and value of the loans given, or the applications received from them, but by its effects on the general movements of credit, and the relations between the lenders and borrowers. And in this view of the matter, it is very desirable to enlist the agency of the private bankers, formed into local syndicates to assist and supplement the efforts of the State, to supply pecuniary accommodation to the needy Ryots. So, again, in the matter of the distribution of seed, we find that in France and Germany, it is the private firms that are subsidized from the public treasury to distribute the needful supply.

But, however open to objection and criticism the Government scheme may appear to be, the work that has been done and is being done is, on the whole, on right lines, and con-

ducted in a right spirit, and therefore deserves our warmest acknowledgment. And our only regret in the matter is that it is not attended with greater success.

It is however very disheartening to find that the Ryot,—on whose behalf and for whose special benefit the State in India is generously doing so much, and is prepared to do yet more, even going beyond the legitimate sphere of its activity,—neglects, in a blind spirit of almost unaccountable apathy, to avail himself of such valuable and needful aid. Helpless himself, strangely enough he declines to be so helped! Neither the legislative relief conceded to him, nor the various executive measures taken in aid of his industry, appear to interest him, and he seems unwilling to take advantage of them to any appreciable extent.

(1) The Civil Procedure Code in its amended form contains many protective provisions in regard (*e. g.*) to the execution of decrees, specially intended to keep him on his land and to save him from expropriation; but he is fast losing his acres and falling down to the status of a landless labourer or a tenant-at-will on his former holding. From the Registration Report for 1892-93, it appears that during 6 years of 1887-92, the total number of registered deeds of sale of immovable property was 2,62,677; the corresponding figure for the 4 Deccan districts under D. A. R. Act was 46,000. The whole number amounts to about 30 p. c. of the total number of holdings in the Presidency. During 2 years 1891-92 the aggregate value of such sales came up to close on 6 crores; the figure for the Deccan districts was 44 lakhs.

(2) Similarly with regard to the D. A. Relief Act (1879)—it is noticeable that while sec. 3 cla. (z) and secs. 16-17 place in his hands the most effective means—that a legislative measure could give—by which to clear off his old debts and encumbrances and recover possession of his ancestral acres, he has had during the 13 years 1879-92—that the Act has been in force in—less than 1500 suits for accounts, or a little more than 100 a year, and only 20,567 redemption suits—before the Courts and the Conciliators together—for the recovery of his mortgaged holdings—or about 1580 a year! The total number of holdings in these Deccan districts is 2,31,479 and it is believed that full 40 p. c. are hopelessly encumbered—or 90,000—while the relief sought for a year was hardly 2 p. c., and not ½rd of the whole during a period of 13 years.

(3) So also, in regard to the Tagavi and Loans Acts, the result is equally meagre. The total amount advanced in 1892-93 was only 6 lakhs as given before, or even less than 3 p. c. of his annual borrowings.

As in reference to legislative measures of protection and relief, so in the matter of executive measures of help, the Ryot shows equal apathy.

(1) The facilities for transport by sea and land are fast developing, and the market for agricultural produce is continually widening with every advance in such development; and yet we find on an analysis of his crops that he does not care to grow the more remunerative ones—the tendency is on the contrary the other way!

(2) Similarly in regard to irrigation—the existing works can supply water to 9 p. c. of his acreage, but he barely takes it for 3 p. c.! The conversion of dry-crop into wet-crop cultivation requires an amount of care and perseverance, which he apparently does not care to put forth, and he often pleads as an excuse want of manure and means, but as the old saying goes, "where there's a will, there's a way."

(3) Next as to Forest Conservancy,—we all know that his attitude in this matter is one of sullen indifference—and sometimes of active antagonism. He constantly complains of the rigour of the State administration instead of co-operating in the work himself, and bearing cheerfully, if only for the sake of the future, present inconvenience and sacrifice.

It is this attitude of apathetic indifference observable on the part of the Ryot, in regard not only to the natural advantages he enjoys, but also to these proffered aids, that constitutes the most complicating and perplexing factor in the situation. The general position may be thus sketched:—

(1) Agriculture is the one sheet-anchor of our industrial life, and the prosperity of this industry is of supreme importance to the well-being—nay, to the every existence of the nation; and yet no industry could be in a worse plight.

(2) And yet the advantages at the disposal of the worker are not inconsiderable. Our soil and climate are in no way unpropitious; the expanding markets supply an increasing stimulus to his enterprise; and the State is ready to help him in many ways, and to the full extent of its resources. And yet

we see the Ryot—on whose shoulders rests the whole fabric——maimed and dwarfed, without energy or enterprise—helpless and struggling in the slough of despondence and misery, and unwilling to be helped out of it. What situation could be more embarrassing?

It is, however, clear, that unless the worker improves, his work never can or will prosper; and any improvement in the condition of our agricultural industry can only be looked for and the economic future of the Province assured, if the Ryot improves in his character and habits, and his methods of work. As long as there is nothing to ensure such improvement on his part, the condition of things must continue critical, and possibly may get worse.

View it as we may, it is almost an unprecedented position, and is variously accounted for. We will notice here only 4 theories:—

(1) In the first place, it is said, the physical conditions on this side of India are very much against the Ryot. With such a precarious climate as the Deccan enjoys, it is hopeless to expect him to prosper. However secure the tenure, however fair the assessment, he cannot evidently control the skies and contend with Nature. The D. A. Relief Act Commission attribute the indebtedness of the Deccan peasant "mainly to the capriciousness of the climate." And indeed, the meteorological history of the Presidency during the past 25 years would seem to lend support to the view. The fluctuations of the seasons have been extreme, and two seasons out of every three have been below the average; and besides we have had our years of droughts and floods. But we must remember that if Bombay does not possess a more equable climate and a more certain rainfall, so is neither Switzerland nor Belgium better gifted by the bounty of Nature. And if the Swiss peasant is able to contend with snow and storm, and clothe the rocks with verdure, and the Flemish farmer turns the sandy wastes of his inhospitable native land into fine, blooming gardens, what is there to prevent the Bombay Ryot from protecting himself against the uncertainty of the seasons? Science is Power, and the resources of Science are within his reach.

(2) Secondly, it is asserted that the Ryot himself is accountable for all his woes. As an industrial worker, he is a hopeless failure. He is by nature indolent and improvident—and bound by the fetters of caste and custom. He will fritter

away all his substance in feasting himself, his caste and his priest, without a thought for the morrow. It is almost second nature with him to borrow, and borrow he will, as long as he has the smallest shred of credit. He marries early, and multiplies and lives beyond his means. He will never work, and save except under the spur of high assessment, and will not cease borrowing unless deprived of his credit and his right of free alienation. This is a heavy indictment, but this theory which seeks to explain his difficulties by referring them all to the inherent failings of his nature, appears to us to betray a strange misconception of the fundamental principles of human nature and the main springs of human action. His critics, who delight to paint him thus, never stop to inquire what has made him what he is, and whether he has, in the circumstances in which he is, and the conditions under which he works, any sufficient motive for industry, economy or thrift. They have perhaps never considered, "What race would not be indolent, when things are so arranged that they derive no advantage from fore-thought and exertion?" It is necessary to remind them that human nature is not differently constituted in Asia and in Europe; and if experience and the lessons of history are worth anything, it is only as a *freeman* in the full enjoyment of the privilege of a free status, and living under free conditions—and never as a *slave* or predial serf,—that the Ryot can ever improve. The magic of liberty and property, which has transformed the serf farmers of the Rhine and the Danube into the most prosperous peasantry in the world, may also be trusted to work a similar change in the valley of the Krishna and the Tapti.

(3) There is yet a third theory which holds the Marwadi responsible for the Ryots' difficulties. It is said, his unscrupulous exactions, aided by the action of the laws and the civil Courts, hold the poor indebted cultivator fast in fetters—even worse than of iron; and he has no escape from the bondage. But it should be borne in mind that usury with us—as everywhere else—is but a product of the economic situation that exists, and has its deep roots and its firm base. Were the conditions easier and freer, the usurer's occupation would be gone. In Europe the Jews were even worse as money-lenders, but now their usury is a thing of the past.

(4) Lastly, we have what may be designated as the over-assessment theory. It is argued that the assessments are pitched too high, and in some cases are even heavier, against

all the declared principles of the Survey, than the true economic rents, sweeping away not only all the Ryot's "net assets," but also trenching on his narrowing margin of subsistence. The revised rates are further condemned as taxing private improvements, in violation of a statutory guarantee against such taxation; the valuation of the soils is most arbitrarily raised for the *sub-soil water* and *general position* advantanges, and rarely, if ever, lowered for the "faults of the soils" as directed by the Joint Rules. The result of the revision settlements, so far as regards the 9,245 villages resettled in 13 districts, is an increase of 33·1 p. c. on the original assessment, or a net addition of 31½ lakhs to the Government demand. In the 4 Deccan Districts placed under special relief legislation, the revised rates make a total addition to the assessment of close on 10 lakhs. It is said—and said with much force—that such large additions to the burdens of the embarrassed Ryots are not only unfair, but economically inexpedient as tending to discourage industry and enterprise.

No. of villages resettled	9,245 lakhs
Total assessment before revision	94·6 „
Revised assessment	125·9 „
Increase	31·3 lakhs
	or 33·1 p. c.

Nagar, Poona, Sholapur, Satara	No. of villages resettled....2,766
	Net increase in assessment on revision.....9·7 lakhs

This view regarding the economic effects of enhanced assessments was thus put by Sir W. Hunter in the Viceregal Council in the course of the debate on the D. A. Relief Act Amendment Bill, 1882. Quoting a remark from the Special Judges' Report for 1881 that "in average years, the ordinary Deccan Ryot does not gain enough from the produce of his fields to pay the Government assessment, and to support himself and his family throughout the year, so that really no margin is left for the payment of his debts"—Sir W. Hunter observed that "the fundamental difficulty in bringing relief to the Deccan peasantry, as stated by the chief Special Judge entrusted with the task, is therefore that the Government assessment does not leave enough food to the cultivator to support himself and his family throughout the year." Be it remembered that this is the state of the peasantry not in times of famine, but in ordinary seasons. Sir W. Hunter went on to argue thus:—

"My Lord, on the one hand we are told that the Deccan peasantry are so hopelessly plunged in misery and debt that a

special insolvent law is necessary to free them from their private creditors—the money-lenders. On the other hand, we find tha the Revenue officers have, during the past 10 years, greatly enhanced the land assessment in these afflicted districts. The Government has sent forth one set of officers to absolve the cultivators from the loans which they have borrowed from private individuals; and almost with the same breath, it launches another set of officers to collect a largely enhanced rental from the cultivators.

"The rigidity of the revenue collections is made a further ground of complaint. During the decade ending with 1890-91 with its seasons of drought and deficient rainfall, the annual remissions were only in the ratio of 0·23 p. c., 98·40 p. c. was recovered within the year in which it fell due, and a little under 1 p. c. was postponed or left over."

A similar view is widely entertained in regard to the revised assessment generally. But whatever its truth and justice, it will be useful to point out that the State demand upon the land—even the revised and enhanced demand,—comes up to but a trifle over one rupee per acre, in this Presidency, while in Madras it is nearly 1½ rupees. Besides, the rents charged on lands let out by the occupacy-holders are as a rule 3 or 4 times the assessment. One rupee on an acre of cropped land yielding on an average 10 rupees worth of produce is only 1 of gross produce, and if, even at this rate, it is felt too heavy a tax, the reason is rather that the yield of the land itself is diminishing, han that the Ryot's resources are failing. Under the economic circumstances of the Presidency, there is no doubt much truth and force in the argument that the State demand upon the land should be as light as possible, and give the Ryot the breathing time he so sorely wants; and that it ought not to add to his embarrassments—already so oppressive. But the true remedy for the prevailing agricultural distress must be looked for elsewhere, in the conversion of the existing system of agriculture from an exhaustive into a restorative one, and in the increase of the produce of the soil; and we beg leave to point out that any lowering of the assessment—however desirable and necessary from other points of view as a measure of temporary relief—would not remove the economic dead-lock, but would only postpone it.

None of these explanations, however, of the Ryot's growing apathy and despair and the consequent depression of the agri-

cultural industry seem to be satisfactory. In our view of the situation, the determining causes are mainly these :—

(I) The Ryot's growing insecurity of position, due (*a*) partly to the incidents of the Survey Tenure, and (*b*) partly to the consequences of the extended practice of sub-letting, and the oppressive burden of unrelieved indebtedness,—an insecurity of position, which makes him feel less as a freeman working on his land for himself and more as an *adscriptus glebæ* working for another, and almost puts him into the desperate and demoralising condition of a cottier-tenant—a condition in which he has little to gain by industry or thrift and little to lose by reckless indolence.

(II) The Ryot's fast diminishing means, a circumstance which tends to drive him into blank despair with the increasingly heavy loads of debt, and the equally growing burden of public taxation, and leaves him but little breathing time to recover, and little or no means to make a sustained effort.

(III) The over-crowding of the Ryot's field of work—consequent on increase of population, and concurrently with it a progressive collapse of non-agricultural industries to draw off the increase,—and resulting in a most unhealthy over-competition for the land, forcing up the rents against him, and bringing down the profits of his work, and even compelling him under the increasing economic pressure to fall to the status of a tenant-at-will.

(IV) The Ryot's utter want of education which leaves him without the needful light of knowledge to help and guide him, to stimulate his efforts, to sustain his perseverance, and call out all energies in his trying situation, and makes him hopeless, and keeps him helpless.

The concurrent operation of these four causes in depressing his energies is further aided by the efforts of a precarious climate and an exhausted soil.

These are some of the causes to which we would attribute the Ryot's present attitude of listless indifference, and the consequent agricultural decline of his prosperity.

(I) As regards the growing insecurity of the Ryot's tenure :—The Survey Tenure—whatever its other merits—is

far from being an economic success. It does not establish property in land, and assure to the Ryot permanent possession of his acres at fixed rates. The 30 years' settlement is but a long lease and cannot claim the advantages of the Miras tenure of old; it gives the cultivator only a limited interest in his lease-hold and as the lease runs over and draws to a close, even this limited security vanishes away. It inspires a very incomplete sense of occupying-ownership and supplies no strong stimulus to agricultural enterprise.

Turning to the condition of occupancies, we find that it is only $\frac{1}{3}$ of our cultivators who enjoy this qualified security of tenure under the Survey—those, *viz.*, who still hold their own—albeit with difficulty—and keep their heads above the rising flood of pauperising indebtedness, surging and closing around them. These 30 or 35 p. c. of our survey occupants take interest in their holdings, invest capital in them like the *Ujali Paraj* cultivators of the Gujerath districts—who are as yet free from debt, industrious and thrifty, and who possess the characteristics of a fairly prosperous tenantry. But even some of these are just on the verge,—and as the situation goes more and more against them —likely to fall to a lower status,—and sharing in the prevailing insecurity. In the case of the remaining $\frac{2}{3}$rds of our Ryots, however, even this imperfect security of occupying ownership does not exist. Owing partly to the extended practice of sub-letting and partly to the consequences of unrelieved indebtedness, these cultivators have more or less lost their privileged status under the

	No.	p. c.
Land occupants not cultivating ...	316,800	3·5
" " cultivating ...	6,026,630	67·8
Tenants and sharers, cultivating ...	2,603,836	28·7

	Holdings.		
	No.	p. c.	
1-5 acres.	260,641	26·5	72 p. c.
5-25	451,449	45·5	
25-100	250,445	25·1	28 p. c.
100-500	24,817	2·5	
over 500	385	·4	
Total ...	987,737		

Survey and are practically in the position of tenants-at-will holding their lands on a most precarious tenure. Unfortunately there is no record of rights in this Presidency and the data for forming an opinion on this point of the status of the Ryot are most defective. What information is available is put in marginal tables below.

(*a*) As to sub-letting—we have no *grande culture* amongst us—it is *petite culture* all the country over. Our large occupants whose holdings average 50 acres and upwards usually let out their holdings or portions of them to under-tenants; and this practice of sub-letting is extending now even to the smaller holders. The leases are short, varying from 9 years to one year and under; and the rates demanded range as high as 3–4–5 times the assessment. The sub-tenants who hold on such leases have no secure status under the Land Revenue Code. We have no tenant-right proper in the Presidency and no tenancy laws such as exist in Northern India. The Land Revenue Code contains no provision for the accrual of occupancy rights and the under-tenant has no legal protection against rack-renting or eviction; nor can he claim compensation for disturbance and the unexhausted improvements. The terms on which he holds are left absolutely to be regulated by private agreement and in rare cases by usage, and section 83, cl. 2 leaves the under-tenant completely in the power of the superior-holder, who is further privileged under section 86 to claim the assistance of the Revenue Authorities in the realization of his rents and dues—a privilege not allowed in respect of any other class of claims. And so excessive is the competition for the land that the tenants usually undertake to pay more than it is ever possible for them to pay. The rents are thus forced up to a ruinous height and the under-holder contents himself with a bare living. These sub-tenants are thus little better than cottier-tenants and number full 28 p. c. of our cultivating population.

(*b*) Next as regards indebtedness—there are no means of estimating the extent of such indebtedness and its bearing on the Ryot's status with any accuracy. Figures given in Mr.

Woodburn's Report (1889) on the Deccan Districts and Registration figures afford some guidance, and are given below. The *data* are defective. But that the burden of old debts is more or less severe in all parts of the Presidency and is increasing every year with the piling up of fresh obligations, there is ample evidence. The burden is more oppressive in the Deccan with its extremely precarious climate than in Gujerath with its more favourable physical conditions, but even here we observe that the Kali-Paraj cultivators, who form 71 p. c. of the rural population, are in a wretched

Mr. Woodburn's figures for 9 Districts relating to Indebtedness.

District.	P. C. of occupants not in debt	P. C. of Ryots with debt 1-10 times the assessment.	P. C. of Ryots with debt 10-20 times the assessment.	P. C. of Ryots with more than 20 times assessment—Debt.
Poona	34	21	12	31
Satara	35	25	15	23
Nagar	44	29	11	14
Sholapur ...	42	35	11	11
Khandesh..	23	26	18	32
Nasik	26	28	16	28
Thana	46	12	10	29
Ratnagiri..	34	12	9	43
Bijapur ...	56	26	8	8
Averages...	37·7	23·9	12·2	25·4

Mortgage and Lease-Registration.

(1) The 4 Deccan Districts under the D. A. R. Act.

Total No. of Holdings in the Zillas 23,147,918

Year.	Mortgages with Possession.	Mortgages without Possession.	Total Mortgages.	Leases under one year.
1889-90	20,771	11,808	32,579	32,807
90-91	22,179	12,647	33,826	36,245
91-92	23,332	15,570	38,902	39,304
92-93	24,987	17,257	42,246	43,314
Total	91,269	57,282	147,553	151,670
Per C. on Total Holdings.	39	25	64	67

(2) Bombay (including Sindh)

6 years 1887-88—1892-93.	Mortgages No.	Leases No.
Total transactions ; p. c. on total No. of holdings (=1,097,957.)	379,987 35	139,120 13

condition, deeply involved in debt and for the most part in the hands of the money-lenders, tilling their lands for them as predial serfs. The Deccan peasant is worse off still. Full 25 p. c. of our cultivators, who are "hopelessly involved", owing debts over 20 times the assessment, have presumably parted with their occupancy rights by mortgage with possession, and continue on their lands as mere tenants-at-will holding on annual leases. Apparently things are getting worse all-round. In the Deccan districts there have been as many as 1,47,553 mortgages during 4 years 1889–90—1892–93 or 64 p. c. on the total number of holdings—of which 39 p. c. are mortgages with possession and 25 without possession. Similarly, leases under one year number during the same period as many as 1,51,670. Generally in the Bombay Presidency including Sindh, the Registration Reports show that the total number of holdings, and the number of leases is 1,39,120 or 13 p. c.

On the whole we may take it, that about 35 p. c. of the cultivators in the Presidency are in this miserable predicament in consequence of their indebtedness, virtually expropriated from their ancestral holdings.

Taking both the under-tenants (28·7 p. c.) and the mortgagor lessees (about 35 p. c.) together, it may be assumed without much risk of error that they constitute full $\frac{2}{3}$rds of our peasantry. *De facto* they form a vast body of cottier-tenants, living on the soil, holding on short leases and at rack-rents which are so extortionate as to leave them even in good years little more than the bare means of subsistence, without the least interest in their holdings and with absolutely no motives for industry or enterprise.

Shortly, we may sum up the result under this first head of causes thus :—

(1) The Survey Tenure with its 30 years settlements allows only a limited measure of property in land and proprietary security.

(2) Only 35 p. c. of our Survey occupants enjoy this restricted security of tenure ; and

(3) The rest (65 p. c.) of our cultivators are for all practical purposes a vast rack-rented cottier tenantry without interest in their lands, holding on a precarious tenure and living in a hopeless condition of destitution.

And thus as far as the bulk of our cultivators are concerned, the result may be stated in the words of Sir G. Wingate thus :—" The Ryot toils that another may rest and sows that another may reap "—a situation utterly devoid of all inducements to exertion or prudence. Even the upper 35 p. c. occupants, though still free from embarrassments, are beginning to share through various causes in the general insecurity of the position.

Here then we reach a basal fact of the utmost importance which largely accounts for the existing situation. Condemned to work for others like a slave, the Ryot fails ; and what chance has he of success? The stimulus of self-interest is wanting and all incentives to good work are taken away from him. And yet be it said to his credit that no farmer in the world could stand the pressure better. No wonder if the D. A. Relief Act, the most expansive measure passed in recent years, has failed to bring relief to the Deccan Ryot. Clearly, no mere change of judicial procedure could be an effective cure for an economic evil.

(II) But again, their is yet another cause to deepen the Ryot's despair. His income—never large and ever uncertain owing to the variations of the seasons—is fast going down

under the increasing double pressure of (*a*) public taxes, and (*b*) debt.

(*a*) As regards public taxation—Public taxation to which the Ryot is the chief contributor is steadily growing with the growing needs of a progressive administration and the weight falls upon him with peculiar pressure. The gen revennes during the last 20 years show an advance from 9·5 to 13·7 crores or 39 p. c. (the Land Revenue 22 p. c.), and assuming that the Ryot's share in the public burdens is 75 p. c., this increase of Revenue means a net increase to the State demand upon him of 2 crores a year. His corn-heap, however, has been continually falling away and is just now at the minimum point barely enough for his living, and his despair can be conceived when he is thus called upon to pay 2 crores more of public taxation. Enhancement of public burdens, instead of spurring him on to increased exertions as the advocates of the Ryot's indolent nature theories imagine, only plunges him deeper in debt and despondency.

(*b*) But the Ryot's narrowing margin of means is further and to a more alarming extent encroached upon from another quarter. His debts are growing and the money-lender presses him harder than ever. With his diminishing corn-heap, he can even in average years hardly pay his taxes and rentals and live without borrowing. His necessities in this respect are often imperative. The oscillations of the seasons, the pressure of public burdens, domestic requirements, and various other "accidents of circumstances" leave him no alternative but often to go to the money-lender and borrow. And borrow he must, in the absence of cheaper banking facilities, on ruinous terms. In the 4 Deccan districts, his annual borrowings average

The 4 Deccan Districts (Population = 39,33,233.)
Land Revenue = 57·17 lakhs.
The Ryot's Annual Borrowings.

Year.	Mortgage value.	Simple bonds value (in lakhs).	Total value in Lakhs.	
1885	29·8	16·2	46	
'86	29·08	12·8	41·8	
'87	24·7	13	37·7	
'88	33·2	16·2	49·4	
'89	40·6	17·9	58·5	
'90	43·6	15·9	39·5	
'91	45·5	15·3	60·8	
'92	48·6	17·2	65·8	
Total for 8 years.	305·4	124·5	429·8	lakh
Yearly average.	38.2	15·5	53·7	lakhs

93 p. c. — Borrowings 53·7 lakhs / Assessment 57·17 lakhs

Applying these yearly averages to the Presidency,

Land Revenue 293·99 lakhs
93 p. c.
= 273·4 lakhs or 250 lakhs, amount of the Ryot's yearly borrowing.

about 53 lakhs a year or 93 p. c. of the total assessment. On the basis of this figure, his annual debts in the Presidency may be estimated at roughly 250 lakhs,—and taking the average rate of interest on secured and unsecured debts at 12 p. c., his annual interest payments on account of annual debts come up to 30 lakhs. Nor is this all. The pressure of old debts is excessive. On the basis of Mr. Woodburn's figures for 9 districts giving on an average 28 Rs. of old debt per head of the population, the total of such debt for the whole Presidency might be put at about 45 crores, on which the annual interest charge at 12 p. c. amounts to 540 lakhs. On Mr. Woodburn's data, it is 560 lakhs.

9 Districts (Pop. = 89·5 lakhs).	Debt per head of population.	Total debt on population basis.	Amount of interest of 100 Rs. of assessment.
Khandesh	46·1	6,71 crores	293
Nasik	38·0	3,20 ,,	245
Nagar	16·2	1,40 ,,	140
Sholapur	18·2	1,35 ,,	132
Poona	13·6	1,40 ,,	209
Satara	11·9	1,47 ,,	166
Bijapur	15·7	1,20 ,,	92
Ratnagiri	25·5	2,75 ,,	337
Thana	70·2	5,74 ,,	281
Total	28 debt per head	25,24 Total debt in crores.	1895 —=200 900

Interest on
lakhs
Current debt..... 30
old debt..... 540
Total yearly charge..... 570

Applying these proportions to the Presidency population.....159·85 millions at 28 Rs. per head.
Total old debt .....45 crores.

Putting together both debts—annual and old—the interest charge to the Ryot at 12 p. c. seems to come to close on 6 crores a year. Were he only able to borrow on easier terms—say at 5 or 6 per cent,—what a relief would it be to him? His pressure would be brought down by 3 crores and more on this account of interest charge alone and he would at once be placed—in 75 cases—in a solvent position.

However, he has unfortunately no such means of relief. His personal credit is as good as ever and his sturdy honesty of heart, which leads him cheerfully to bear his load of debt and makes the very idea of going into insolvency revolting to his mind, is appreciated even by the Sawakar; and he can borrow even in the worst Deccan villages small sums on personal security. Nor is there lack of capital in the country as pointed out

last year by the Hon'ble Mr. Justice Ranade in his paper on Real Credit Re-organization. 250 lakhs are locked up in the Savings Banks in this Presidency, and presumably a still larger amount in Government securities, and any rate of interest judging from the recent conversion operations would seem to satisfy our depositors and holders of Promissory Notes. All this money and much more would be and ought to be at the service of industrial enterprise but for want of a *via media*. The divorce between capital and land and industrial enterprise is almost complete, and this divorce has been the ruin both of the Ryot and his industry. There is almost an impassable gulf—the gulf of ignorance, and want of confidence and habits of combined effort—between those who save and those who work—a bar preventing the free flow of capital to fertilize the fields of industry; and the State, which alone with its limitless command of resource and organization is in a position to bridge over the gulf and remove the bar, still declines to undertake the work, and the dead-lock continues with disastrous results to the progress of industry. As far as the Ryot is concerned, he has to pay 12—24 p. c. interest to the money-lender, while a Savings Bank depositor is content with little more than 3 p. c. and has thus to pay 6 crores nearly to his Sawkar year after year, whereas he ought not to pay more than 2 or 3. The consequence is that his 3 or 4 crores which might otherwise go to his acres pass into other hands, and no one is any the better for it, and every one much the worse for such diversion of the Ryot's savings, not even excluding the money-lender who suffers by the general industrial paralysis thereby caused. The State withholds the needful help; the Ryot suffers and with him the whole nation shares the penalty in the depression of its one surviving industry. In another respect again, the absence of cheap banking facilities is causing inconvenience. It largely tends to neutralize the effect of much of the protective legislation of the past 20 years. Taking the D. A. R. Act, we find that while on the one hand, during the past 13 years the Act has been in operation, the Courts and Conciliators have together settled in all 20,567 claims valued at 37½ lakhs in redemption suits in respect of mortgaged lands, the Registration figures, on the other, show that the fresh mortgage debt alone (leaving out simple bond debts) contracted by the Ryot during 8 years 1885–92 amounts to over 3 crores, nearly 10 times the amount reported as settled, the annual amount increasing steadily from 29 lakhs in 1885 to 48·4 lakhs in 1892-3! This one striking feature of the returns is enough to

show how futile it is to attempt to relieve the indebted Ryot merely by a reform in judicial procedure. The Ryot sees it and we can understand his reluctance to seek, in too many cases, through the special courts the barren benefit of paper redemption. If thus the D. A. R. Act is a comparative failure as a means of economic relief, neither are the special relief Acts for the superior landed proprietors, any more successful. On this point Mr. Baines writes in the Decennial Report (pages 243-4):—"The most noteworthy feature in the working of these Encumbered Estates provisions is the continuous need of them. The total number of persons entitled to relief under such enactments is necessarily limited, but we find in Gujerath 108 estates under management in 1881-82, and nine more after an interval of 10 years. In Sindh the law has been changed on more than one occasion, so the decrease from 346 to 30 may be due to special and artificial causes, rather than to increased providence. In the case of Jhansi, where the persons for whose benefit the special local Act was passed are of a lower social position than the Talukdars of Gujerath, it was ascertained that the loan advanced by the State from public funds to keep the agricultural proprietors on their lands was repaid by loan from the village money-lender, who closed in some way or other on the disembarrassed land as soon as it was out of management. In Bengal the Chotia Nagpur Encumbered Estates Act was applied in 1891-92 to 59 estates, and in 1881-2 to 72. The amount of debt at the close of the former year was Rs. 1,63,749 and Rs. 66,192 of this was ascertained during the year in question. In Oudh, again, the supply of indebted local magnates appears perennial."

Briefly, then under the second head of causes we may sum up by saying:—

(1) The Ryot's margin of means is perilously narrowing owing to (*a*) increasing public taxation and (*b*) to his growing indebtedness.

(2) The net addition to his share of the public burdens has been 2 crores during the past 20 years. He is not permitted to enjoy even his luxury of cheap salt.

(3) Real credit being in a most disorganized condition and the State still withholding its aid in re-organizing it, the Ryot has to pay 3—4 crores more than he ought or need, as interest to his Sawkar every year.

(4) This double pressure increasing concurrently with his diminishing yield from the soil, makes his condition worse.

(III) Passing next to over-crowding of his field against him as another cause of his suffering,—we have, according to the recent census, in the whole Presidency a population of 1,06,49,811 souls—living on the soil on a cropped area of 28·3 million acres—or less than 3 acres *per capita*. Assuming with Sir J. Caird that a square mile of cultivated land can give employment only to 50 persons—men, women, and chidren together (or 12·8 acres per head), our cropped area is not enough even for an agricultural population of 3 millions; so that, we have 7-8 millions of our agricultural people without adequate employment and in a condition of demoralising indolence. The loss of work and working energy to the country is of course enormous. But such an excessive concentration of an enormous population on the soil has the natural effect of over-crowding the field against the agricultural worker, sending up rents and bringing down the profits of husbandry and the wages of agricultural labour. Both the under-tenant and the farm-labourer are heavily weighted, and equally or even more so, is the occupancy tenant.

(IV) We come to the last head of our causes *viz.*, the Ryot's want of education—which practically speaking, we may assume, to be almost total—hardly 4 or 5 p. c. could be found among the cultivators who know the elements. We have in the Presidency proper 22,968 villages, of which only 5,140 have schools, the remaining 17,828 with a population of 10 millions and more unprovided with any educational facilities. We feel rather strongly on this point and hold that there is no disability harder to bear than ignorance and its penalties. We are firmly convinced, the Ryot would be able to help himself out of half his difficulties if he were only educated. As it is, there is the darkness of ignorance darkening his horizon and paralysing his effort and leaving him hopeless.

Thus, then the Ryot, never very strong in his sense of proprietory security under the Survey, feels his position increasingly insecure and is fast falling down to the status of a cottier-tenant; his corn-heap is diminishing from which, however, he has to draw out larger and larger portions to pay his growing taxes to the State and his growing interest charge to the Sawkar, so that, he has now hardly enough left with

him to live upon and save, and is beginning to feel more desperate than ever; he also suffers from excessive, unhealthy competition for the land, being driven in too many cases to keep possession of his few acres on any terms compatible with a bare subsistence; and lastly, what is worse than all, he is without education,—without the needful light of knowledge to sustain and cheer and guide him in his trials. Add to all this, the capricious variations of the seasons and the results of an exhausting system of agriculture, and we venture to think that there will be no difficulty in understanding his apathy, indolence and improvidence. Placed in a situation little better than that of a serf, he has no inducements to self-help and improvement; working for others he shows no good work—and why should he?—and with the depression of the workers we have to face the depression of the industry which depends upon him and on which the whole population depends.

If the foregoing analysis of the causes to which the Ryot's present position may, in our opinion, be ascribed, is not very wrong, it indicates the lines on which remedial action might be taken. What the Ryot seems to require is that his position may be made more secure than it is under the Survey, that he might have some relief from growing taxation as well as from the pressure of his growing indebtedness, that he might be secured from over-competition in the field and relieved of the disability of ignorance. And if his position is better assured under a more permanent system of tenure, if executive and economic as well as legislative measures were adopted to secure him against over-assessment and the taxation of his improvement, to give him some relief by providing cheap banking facilities in the matter of his heavy interest charges, to protect him against unhealthy over-competition by the promotion of non-agricultural industries, but above all, to rescue him from the slough of ignorance,—no worker in the world—not even the peasant-proprietor of the Rhine-land—could surpass the Bombay Ryot in industry, enterprise or energy. He would be able to help himself and avail himself of other people's help in his battle with Nature and the adverse seasons, in a way of which we have at present no conception. The present average produce per acre is according to Sir J. Caird below 20 bushels, and if a gradual and progressive improvement in agriculture, which the Ryot might be safely relied upon to carry out under freer conditions, might raise this meagre yield to 12, 15 and 20 bushels, he would be able to assure the economic safety of the country for years to come.

Among other measures of relief for the benefit of the Ryot we would recommend the following :—

(1) First of all we would strongly plead for a *permanent limitation* and *settlement* of the State demand upon the land, a measure of relief which is now an economic necessity and ought not to be any longer delayed. A grave crisis is impending. An exhausting agriculture and an advancing population are fast coming to a serious dead-lock; and as far as one can see, nothing can possibly avert disaster except a change from the exhausting to a restorative system of cultivation. But such a change requires on the part of the Ryot an effort, to which, under the Survey Tenure with its periodical unsettling revisions of assessments, he feels no sufficient inducement. The magic of property alone can supply the requisite stimulus, and some form of permanent tenure is indispensable.

Besides, our climate being what it is—subject to violent oscillations—induces a chilling sense of uncertainty; and moral incentives to exertion require to be proportionately stronger. What else but a most complete sense of proprietory possession leads the Flemish peasant to grow rich crops on his sandy waste and seek to form fresh soils by conveying earth in baskets where Nature denies the advantage?

It is often urged as an argument against the concession of a permanent settlement that it involves a large prospective loss of Revenue. But such fears have no foundation in fact. The theory of the *unearned increment* on which these fears are based is altogether an inconsistent theory, which looks only to one element in the problem—*viz.*, movements of population, but ignores the other and even more important element, *viz.*, movements of property and possessory claims. Even assuming, however, the theory to be sound and the fears of a prospective sacrifice of revenue well-grounded, it is permissible to submit that any such financial loss that should result from the measure would be recouped to the State a hundred times over in the assured prosperity of the peasantry as well as in the consequent increased productiveness of the other sources of revenue; and as the Duke of Argyll says, "the best wealth of a Government is to be found in the growing wealth of its subjects." Further, any amount of additional revenue that should be required in future years to meet the exigencies of a progressive administration might be without difficulty raised in many ways from a prosperous community; and the large expansion of revenues.

imperial and local, other than land, during the past 30 years leaves no doubt on the point. But clearly, no mere financial considerations should for a moment be allowed to out-weigh the imperative necessities of a grave economic position.

Next, we would point out that our Presidency is more than ripe for such a concession. It fairly fulfils the conditions under which the concession is promised in the Despatches of Sir C. Wood and Sir S. Northcote (1862 and 1867); full 95 p. c. of our arable area in place of 80 p. c. required is under cultivation, and there has been considerable progress in regard to irrigation and railways. We have now irrigation for over half a million acres and a railway mileage of over 5,000. There is of course much scope yet for extensions in regard to both; but this circumstance alone furnishes to our thinking no sufficient justification for withholding the boon from a people on the verge of an economic crisis.

Such a measure, lastly, would be a logical and at the same time a most beneficial development of that generous land policy of the Government, which has during the past 90 years dictated a change from annual settlements, which were the rule in the first years of conquest, to the 30 years' settlements of our day. Sir C. E. Trevelyan remarked thus on this point in his evidence before the East India Finance Committee (in 1873):—"We began with annual settlements; then we went on to triennial; then to quinquennial; and at last we came to decennial settlements; and from decennial settlements, we have got up to 30 years' settlement. Now, exactly in the proportion in which the length of the tenure has been extended, has the principle of property been created, and the general benefits have been in proportion; but I conceive that, although by comparison with the past we consider the 30 years' lease a great thing, yet it falls greatly short of what is wanted, and would land us in a very poor and unsatisfactory state of society.....If we stop at the 30 years' settlement it is equivalent to putting an effectual barrier to the growth of the public improvement, and of the moral and intellectual civilisation and refinement of the country."

But even a permanent settlement of the land revenue would be an economic failure, if the assessments were fixed too high; for, as Sir C. Wingfield often insisted, over-assessment and extortionate rents tend very much to destroy the sense of

proprietary security. It would, therefore, be most necessary in in our opinion that the State demand, even when settled in perpetuity, should be moderate.

(2) Next, side by side with such a permanent settlement, we would strongly go in for a tenancy law for this Presidency, partly as a check on unprincipled and excessive sub-letting and partly to assure the position of the under-tenants. As remarked before, there is no tenant-right as such recognized under the Land Revenue Code, which contains no provisions against either rack-renting or arbitrary eviction. Ch. VII of the L. R. Code would have to be very much recast, particularly Sec. 83 which leaves the powers of the land-lord in regard to enhancement of rents and ouster and dispossession practically uncontrolled. We would also humbly join in a suggestion made by the late Hon'ble Mr. Nulkar (Vide D. A. R. Act Commission Report,) that Sec. 86 of the Code should be modified at least so far as to withdraw from the mortgagee superior-holder the needless privilege of claiming the assistance of the Revenue authorities in the realisation of his rents and dues. We would further have provisions inserted in the Code for the accrual of occupancy rights. These and such other amendments of the Code would be required to protect the under-tenants.

The legislation of the past 23 years has done much to protect subordinate rights in the land in Northern India; and Bengal and N. W. Provinces, the Punjab and the Central Provinces have now each its strong tenancy law, and Bombay and Madras alone have not yet such legislative protection for the tenant's rights. Half the value of any permanent settlement of the land revenue would be lost in the absence of such statutory provision to discourage and check sub-letting. In a country, circumstanced as ours, where agriculture is the only occupation for the mass of the people and population over-crowds the soil, the tendency is very strong to sub-let occupancy holdings at rack-rents and live on the difference between such rents and the assessment to be paid; and the danger of the gradual growth of a rack-rented cottier-tenancy on the soil is very real, and as noticed before, we have already $\frac{2}{3}$rds of our toiling peasants in this wretched position. It is, therefore, clearly the duty of Government, in the interests of the State, the nation and the tenants themselves, to provide proper safe-guards against such dangers.

A permanent settlement of the Land Revenue at moderate rates, coupled with an amendment of the land law of the Presidency in some such directions as suggested above, would, in our opinion, go far to assure the position of the Ryot. As regards under-tenants, it is not possible altogether to stamp out this evil of sub-letting by any legislative checks; but the fact has to be recognized as noticed by the Government of India (correspondence on Sir J. Caird's Report) that a large "class of unrecorded partners and sub-tenants is growing up in this Presidency to an extent which threatens to be a serious evil in the future"; and as strongly recommended by the Famine Commission, (Vide Report, Part II—pages 122-3) measures to recognize and protect the position of our under-tenants are urgently called for.

(3) The position of the Ryot so assured, it would be next necessary, in order to ensure agricultural improvement on his part, to provide for him cheap banking facilities under a proper re-organization of real credit. His borrowing necessities must be frankly recognized and it is unfair in the circumstances in which he is, to leave him entirely at the mercy of the private money-lender. On this subject we would generally support the scheme of agricultural banks as suggested by the Poona Committee in 1882; but we would recommend two important modifications. First, we think that there need be no insistence on a concession to the banks from Government of "the privilege of recovering their debts from the land through the revenue officers arrears of Land Revenue." The necessity for such a concession is not clear and the civil remedies in regard to all realisations of debts and dues appear to us to be ample. So again, we are strongly of opinion that the maximum rate of interest proposed (12 p. c.) is needlessly too high. As far as indications go, the saving classes in this country would seem to look, as shown by recent conversion operations, more to the safety of their deposits and less to the interests realised on the investment; and we think, 9 p.c. would meet all requirements as the maximum rate. With these two modifications the Poona scheme would be free from most of the objections taken to it and ought to command support, and we trust, it will.

But we fear, private banks alone would not do for all parts of the Presidency, though they would suit best the more advanced Zillas and Talukas. In backward districts and outlying villages we would prefer the direct State agency, and we would recommend State banks established on the model of

the State Mortgage Banks in Switzerland, (*e. g.* the Mortgage Bank of the Canton of Berne), to work through the intermediate agency of local banking syndicates formed like the Comptoirs of the Savings Banks in Belgium. These comptoirs work as local agents for the banks to whom the farmer "addresses himself in the first instance and whose duty and interest it is to keep an eye on the affairs of the borrower as soon as a loan has been concluded." The comptoir in each local centre "guarantees the repayment of the loan, while its members are collectively responsible to the Savings Bank, and have to furnish sureties of value proportional to the importance of the loan. These sureties consist of mortgages, or of securities of value. The Savings Bank receives 3 p. c. and the comptoir 1 p. c."—the fixed rate of interest being 4 p. c. on loans to agriculturists (Commercial Reports No. 3, 1894, page 29). In connection with these loan operations as well as the granting of the Tagavi advances, we would recommend that in various village centres, village committees might be organized and loans to agriculturists under section 9 of the Land Improvement Act 1883, given on the joint and several responsibility of these committees.

But it is clear that in the existing circumstances of the Ryot's indebtedness, no such scheme of banking facilities could have a fair trial except on the basis of a complete clearance of prior encumbrances. A preliminary liquidation, on the lines suggested in the Government of India letter dated 5th December 1882, requires to be carried out as a necessary precedent condition. It might be attempted on the voluntary basis through the agency of official liquidators, but should the attempt fail, we would provide for a compulsory scheme under statutory provision. The Talukdari Act of 1862 Sec. 1 provides for taking over the management of Talukdari estate, whenever it should appear to the Governor in Council that the Talukdar's debts and liabilities exceed 5 times the average rents and other income. Some such provision inserted in the Land Revenue Code, making liquidation compulsory in the case of Ryots whose debts exceed 20 times the assessment and who are hopelessly involved, would meet the requirements of the case.

Liquidation of previous debts so carried out upon a voluntary or a compulsory basis, and relief given to the Ryot in regard to his interest charges, and thereby his solvency re-established in 75 p. c. cases, the provision of cheap credit

facilities through the agency of such banks, private, State or State-aided, would put within his reach means ample enough for his requirements in the matter of agricultural improvement and on advantageous terms, and with the incentives to increased effort under a securer tenure, he may be trusted to make full use of such new resources placed at his disposal.

(4) Another effort, yet, is needed to help the Ryot. As we have seen, there is too much crowding of the population upon the soil, and unless non-agricultural industries develop to draw off the superfluous numbers, the pressure will continue and increase much to his prejudice. With our urban industries, our rural ones also have disappeared or are dwindling away, and it is worth the while of the Conference to consider in what way these small handicrafts, which do not require much capital and no use of costly machinery, might be resuscitated. We need not dwell on this point further than to point out its importance in its bearing upon the Ryot's position. The more the Ryot is relieved from the existing unhealthy and abnormal pressure by the opening up of such new outlets for labour, the freer the conditions of his work would be and the greater his chances of success.

(5) Coming, lastly, to education—On this point we have nothing to add to our proposals of last year, and it is satisfactory to know that the whole subject is at present under the consideration of the authorities. Our requirements in this regard are two :—

(1) As large an extension of primary education as possible, the aim to be kept in view being to provide every village with a population of 600 souls and upwards with a school. More than 17,000 villages are at this moment unprovided for ; and this marks out the scope that there is for further efforts.

(2) An adequate scheme of agricultural education including the appointment of travelling lecturers to carry better notions to the very cottages of the poor Ryots. Our scheme of last year has been objected to as being too large, too expensive and too much in advance of the requirements of the country. We would, however, invite our critics to a dispassionate survey of the existing position of our agricultural industry with its two distressing characteristics of rapid soil-exhaustion and diminution of outturn, and with the Ryot sinking down in helpless despair—helpless

himself and unwilling to be helped—poor and yet not knowing how to make the best of the resources Nature places at his command,—and judged in the light of such a survey whether the programme we ventured to suggest is open to such objection, and indeed whether even a larger scheme is not an imperative requirement of the day to stay the progress of the evil and to turn the tide in the Ryot's favour. The Famine Commission, writing 13 years ago, insisted on the necessity for making due provision for the training of the agriculturists, pointing out the supreme importance in the critical economic circumstances of India of calling to the aid of the Ryot the resources of science and scientific skill. Things have since gone on from bad to worse and now that we are in the presence of a formidable industrial dead-lock when even our food-supply is in danger, we submit no scheme of agricultural education could be too large, and no expense too great to provide adequate aid to the Ryot and his industry in this respect. The remarks of M. Tisserand, the present Director of Agriculture in France (writing under date December 5, 1893) explaining the importance attached to agricultural education in Erance, will be read with interest. "As to providing facilities," he writes, "for agricultural instruction, the administration of agriculture in France has considered all measures undertaken to this effect as being the most effectual means of developing improvements in cultivation amongst the rural classes. Agricultural instruction, indeed, enables the cultivator to understand the scope of scientific discoveries and the means of applying them. It enables him to calculate his operations, to shield himself from frauds to which he may be exposed. It gives him the certainty after he has become acquainted with the elements of the soil he tills, of using the chemical fertilizers, the implements and processes which shall result in increasing his production. It will diminish the cost there-of and enable him effectually to compete with foreign rivals. By its means he will be able to draw with certainty upon the sources of credit which are open to him, to inspire confidence to lenders, and give confidence to his land-lord as regards the use he may make of the property under his charge. In this century of extreme competition,..... the agriculturist can only thrive, if in working the soil he adopts scientific methods. There is no profession more

based on science or more dependent on scientific knowledge than agriculture. These considerations explain the importance given to agricultural teaching in France by the powers of Government." (Vide Commercial Report No. 3 (1894) Page 52).

Primary and agricultural education so provided, the Ryot will be brought out into the broad light of knowledge and effectually helped to help himself.

Such is our scheme and such are our proposals—intended (1) to assure the position of the Ryot, (2) to ensure agricultural improvement on his part.

A similar scheme of remedial action was adopted, in the early years of this century, by the statesmen of Germany in dealing with a similar situation—perhaps worse than ours and more difficult. Property in land was established, free from feudal incidents and disabilities; and a peasant-proprietary class created; agricultural banks were established and non-agricultural industries were promoted; and a vast scheme of education, primary and special, was adequately provided for. And now after close on a century of such sustained, many-sided national effort on such lines, the German peasantry is the strength and pride of its Fatherland and German agriculture for its unparalleled progress is the admiration of the world. Similar efforts made here, though we are on other shores and under other skies, would be attended with similar results, and in all human possibility, would succeed in transforming the peasantry of Bombay, starving and struggling, nerveless and resourceless as we now find it, into a peasantry one of the most thriving and prosperous in the world and make it what it should be, a tower of strength—to the State and to the country—proof against all assaults.

And the position of the Ryot so assured and improved, we may safely leave our national industry in his hands. Under the stimulus of a full proprietary security, he will put forth all his best energies, and new vast possibilities of agricultural development would open out before his inquiring mind and trained eye. He will change his present exhaustive system of culture into a restorative one, and if with the aids of science and skill and cheap credit, he succeeds in raising the yield of his acres from its present low level of 10 bushels to 12—15 and even 33—the standard of the English yield—he will be able to assure the economic future of the nation and supply food to 3

times and more the existing numbers in the country; and all fears of over-population and its evils, of famines and scarcities may not disturb and disquiet us for generations to come. There is our hope, and it is in the confidence of that hope that we submit our humble proposals for the consideration of the Conference.

The situation is critical and the magnitude of the remedial efforts required must not deter or dismay us. The interests of 16 millions and more are at stake and the task is worthy of the highest order of statesmanship. To rescue a long struggling and long-suffering peasantry from its present degradation and depression, and transform it into a thriving, industrious and enterprising peasantry and thereby to assure to an agricultural community its economic well-being and safety—that is the object in view. And to a true statesman anxious to promote to the highest extent the welfare of the people committed to his charge, what object can be nobler or higher, and what task worthier of his best efforts?

And in conclusion whatever may be thought of our humble ideas and suggestions on this point, we have only to urge that the evils from which we are suffering are serious and growing, and that the situation is becoming graver every day. And if the *coming* danger is discerned and realised, it becomes our most sacred duty to do all that lies in our power to avert it; and if this duty is recognised,

"Let us be up and doing,
With a heart for any fate;
Still achieving, still pursuing,
Learn to labour and to wait."

A TABULAR CONSPECTUS
of the present position of our agricultural industry (1892-93), as compared with what it was in 1872-73.

I. General Tables—relating to Population, Revenue and Trade.

Population (Presidency proper.)		Revenue (Bombay including Sindh.)			Foreign Export Trade (British India.)		Rise of prices. (Between 1872-92.)
			General Revenue	Land Revenue.			
1872	14,086,791	1872-3	Rs. 9,589,529	Rs. 3,751,050	1872-3	55,236,295	Rice 11 p. c.
1881	14,070,591						Wheat 17·5 p. c.
1891	15,985,270	1892-3	Rs. 13,336,312	Rs. 4,561,014	1892-3	101,945,706	Jawari 12·5 p. c.
							Bajari 10·1 p. c.
Increase since 1872 1,898,479 or 13·4 p.c.		Increase.	Rs. 3,746,783 39 p. c.	Rs. 809,964 22 p. c.	Increase.	46,709,411 84 p. c. nearly.	Average increase 12·8 p. c.

Summary.		Increase during 20 years. (1872-3——1892-3.)	
	Population	13·4 per cent.	Remarks:—The increases in Population, Revenue and Foreign Export, though partially balanced by a rise in the prices of agricultural produce, represent a large augmentation in the total combined demand on the agricultural resources of the Presidency.
	Revenue (including Sindh) General	39 per cent.	
	Revenue (including Sindh) Land	22 per cent.	
	Foreign Export (British India)	84 per cent.	
	Per Contra Rise of Prices	12·8 per cent.	

How far is this augmented demand upon the land met

(A) by Extension of Cultivation or (B) by Improved Husbandry, or both?

TABLE II

(A) Extension of Cultivation.

Area of land occupied and cultivated in acres—Horizontal extension of cultivation. [000s omitted.]			Double cropping—Vertical extension of cultivation. [000s omitted.]		Summary	Total extension of Cultivation. (Horizontal and vertical.)		Remarks
	Occupied.	Cultivated.				1873-6 average of 3 years.	25,048 acres.	Remarks:—The total increase in cropped acreage during these 20 years has been only 3·6 p. c. There was scope for much larger extension. The cultivable area available is 1,887,063 acres or 4 p. c. on the total,—ranging from 15 p. c. in Khandesh to 1 p. c. in Nagar, Sholapur and Satara. In Poona and Ratnagiri the limit of horizontal extension is reached. Double cropping (Vertical extension) might have been increased to any extent to meet the economic pressure.
			1873-6	312		1892-3	25,943 „	
1873-6 average of 3 years.	28,422	24,636	1892-3	780		Increased	895	
1892-93	29,918	25,162	Increase.	468 over 250 p. c.			3·6 p. c.	
Increase in acres	1,496 5·4 p. c.	526 2·1 p. c.						

Table III—(B) Intension of Cultivation.

(*a*) Agricultural resources and methods :—

(1) Ploughs, plough cattle, and ploughing.

Ploughs [000s omitted.]		Plough cattle (statistics defective) [000s omitted.]		Summary.	Remarks.
1873-6 average	1,030	Cows and bullocks 1873-6	5,442	Plough cropped area per plough 23·5.	(1) Ploughing is inferior—and worse than in 1872-3 owing to reduced cattle power :—(1) Assuming one pair of bullocks can plough 6 acres during the 3-4 months after harvest, we have not cattle enough for even ¼ of our cropped area. (2) Usually wet crop lands are ploughed every year, and dry crop only harrowed ; and these latter are ploughed once in 5–6 years—in some districts not even in 10. (3) The ploughing done is not deep enough, and the soil suffers in seasons of deficient rainfall or drought ; heavy rain too rushes off the land and washes away much of valuable plant food.
1892-3	1,111	1892-3	5,002		
Increase	81	Decrease	440	Plough cattle cropped area per pair 15·3	
		Decrease in no. of bullocks.	270		
		Adding male buffaloes Plough cattle 1892-93	3,372		
		Cropped area per pair 15·3 acres.			

Exports (British India)
[Mill. cwt.]

	Rice	Wheat	Seeds	Other grains	Total	More than trebled during 20 years.
1872–3	22·9	·4	2·8	·6	26·7	
1891–2	32·7	30·3	19·1	3·3	85·4	

Manures exported
[in tons]

			Increase in 3 years
Bones	1891–2	43,766	7,298 tons
	1892–3	47,584	
	1893–4	51,064	
Others	1891–2	1,211	160 „
	1892–3	1,032	
	1893–4	1,371	

Note.—The manures used are twigs and leaves of trees, village ashes and sweepings, refuse of oil-cakes, farm yard manure,—droppings of sheep, powdrette, &c.; green manures are little known and except here and there little used; mineral manures [lime, saltpetre, &c.] are not used; chemical manures are beyond the ryots' means. Sheep-folding is another method of manuring. We have in the Presidency 3,461,000 head of sheep and,—assuming that 6000 sheep can manure one acre a night, our flocks of sheep if fully utilised, can manure 100,000 acres. The supply of manure available is enough for 20 p. c. of the cropped area, but not even 10 p. c. is manured.

The supply is, however, being slowly reduced by :—

(*a*) the extended working of forest conservancy.

(*b*) increased use of cattle-dung as fuel, the price of fire wood being in 1892-93 50 p. c. higher than in 1860-1.

(*c*) decrease of cattle.

(*d*) increasing export of agricultural produce.

(*e*) export of manures :—bones, saltpetre, oil-cakes.

Remarks :—Manuring is very imperfectly done. Garden lands are as a rule manured and scanty supplies of village ashes &c. are spread over some portion of dry crop land. Rice, wheat, maize, tobacco, sugar-cane, orchard and garden produce, vegetables &c. (in all covering 42 lakhs of acres or 16.5 p. c.) receive some manuring. The rest of the area 83.5 p. c. is cropped absolutely without manure.

III—(*a*) *Continued*—(3) Irrigational supply and Irrigation.

Works.			Irrigation.				Summary.
			Area irrigated in acres.		p. c. of cropped area.		
	No. of works.	Irrigable area in acres.	1873-6 average	504,740	2·1 p. c.		acres.
Govt. works :—			1892-3	802,114	3·2 p. c.		Irrigable 9. p. c. (2,372,000)
Canals and tanks.	36	572,000					Irrigated 3·2 p. c. (802,114)
Other works :—			Increase	297,374	1·1 p. c.		Double cropped area 780,830 acres
Wells	178,087	1,500,000.					of which irrigated. 111,530 „
Tanks	10,874		Irrigated crops.		Total irrigated crops.		
Bandharas &c.	5,186		Wheat... 196·8		Remunerative ...413		Doubled cropped with help of moisture &c., and so precarious..... 669,300 acres.
Total works in use	194, 183	2,072,000	Rice..... 149·2	412·6	Ordinary .....500·7		
Old works out of repair:—			Sugar-cane 66·6		Total...913·6		
Wells, tanks &c.	29,400	300,000	Other cereals, &c. 345·4		Deduct		96·3 p. c. of the total cropped area unirrigated and depending on rain-fall.
Total works.....	223,583	2,372,000	Others ...137·8	500·7	Double crops.....111·5		3·2 Irrigated. Of the double-cropped area 1/7th is irrigated.
Total irrigable area 9 p. c. of the total cropped area.			Fodder ... 17·5		Net area Irrigated... ...802·114		
			Total 913·644				

REMARKS.—The irrigational supply, if the old works are repaired, is enough for 9 p. c. of the cropped area. But only 3·2 p. c. is irrigated—showing an advance of only 1·1 p. c. over the average of 1873-6; the remaining 96·8 p. c. is left exposed to the vicissitudes of the seasons. Looking again to irrigated crops, it appears, less than half the area only is under remunerative crops (or 1·5 p. c.); over the rest of the area, the Ryot uses irrigation either to save ordinary crops in seasons of drought or help them over periods of deficient rainfall. Of the double-cropped area, only 1/7th is irrigated, the rest depends on the moisture that remains over from the monsoons and the cropping is precarious.

(4) Restorative and saving methods—Rotation, mixed cropping and fallowing.

Crops grown (000s omitted.)		
Cereals	...17,900	acres.
Pulses	... 3,215	,,
Tobacco &c.	... 68	,,
Sugar-cane	... 68	,,
Oil seeds	... 1,500	,,
Fibres	... 2,844	,,
Garden produce	160	,,
Miscellaneous ...	———	,,
Total	... 25,943,474	,,

Re-classified.

Exhaustive crops 23 mill. acres
Restorative crops 3 ,, ,,

Exhaustive crops ...89 p. c.
Restorative crops ...11 p. c.

Remarks.

Rotation and mixed cropping are well understood,—but practised to a very limited extent. Cotton and wheat and pulse,—betel, sugar-cane and rice,—hemp, sugar-cane, rice and pulse—are found in isolated parts in periodic rotation, and similarly mixed cropping—cereal and legume—are at times grown together. But the application of both the restorative methods is limited,—and the fact remains that we have 89 p. c. of our cropped area under exhaustive and only 11 p. c. under restorative crops.

Fallows.

	Occupied area (000s omitted.)	Fallows. (000s omitted.)	p. c.
1873-6 Average	28,422	3,786	13
1892-3	29,918	4,755	16
Increase.	1,496	969	3

Remarks.—Fallowing is a wasteful method, and unnecessary in India—the soil lying practically in rest for 6 months of the year. Under a judicious application of manure and water, no fallowing is required. Excepting where these fallows are under or customary fallows in rotation, they involve a *waste of resource*.

The Ryot pays assessment for all occupied land—including these fallows, so that taking one rupee as assessment per acre, he pays 47 *lakhs* of rupees to Government for occupation of lands on which he grows not a bushel of grain; to the Presidency, the loss of agricultural produce (at 10 bushels per acre) is 4,75,00,000 bushels a year,—equal to the food of 40,00,600 of human beings. Usually, these acres lie fallow—(1) and this because the soil is exhausted or (2) because the Ryot has no means. The increase in the area of fallows by over 9 lakhs of acres during these 20 years indicates a serious decline in the Ryot's resources or in the fertility and productive powers of the soil. And the belief widely prevails that soil exhaustion is fast proceeding under a system of unmanured cropping.

III—*Continued*

(*b*) Results of cultivation—(1) The out-turn.

The out-turn (a conjectural estimate)	Remarks.
Some put it at 12 bushels for all food crops, the Government of India put it at 9 bushels for wheat. Sir J. Caird puts it at below 10 bushels generally. All agree, the out-turn is diminishing.	CONSIDERING (1) that ploughing and manuring are defective—and are even worse than 20 years ago, (2) that the manure area is at best only 16·5 of the total cropped, and that the manure supply is diminishing, (3) that the irrigated area is only 3·2 p. c. of the cropped acreage, (4) that the area under current fallows is increasing—is now 16 p. c. against 13 p. c. 20 years ago, so that 83·5p. c. of the cropped area is unmanured and 96·8 p. c. unirrigated and 16 p. c. of occupied area has to be left fallow—3 p. c. more than 20 years ago, and (5) that rotation and inter-culture are little used to recuperate the soil, the conclusion seems to be that the out-turn is diminishing; and as Dr. Voelcker suggests, the diminution is counteracted to some extent by the action of the tropical sun and atmosphere. The last stage of exhaustion of the soil and diminution of outturn is already in view (e. g. as regards wheat).
The Rothamsted experiments show that the produce of land continuously unmanured for 40 years is 12½ bushels. Dr. Voelcker's Report Page 41. Sir J. Caird says, the experiments of Mr. Lawes on a plot of land unmanured for 40 years show a gradual but progressive decline in the yield of periods of years, beginning with 17 bushels of the first period, 15 of the second, 14 of the third, 12 of the fourth and 9 of the last period.	

(2) Crop analysis—a comparison—(Virtually, *Status quo* with a decided tendency to *deterioration*).

Crops.	1873–6 average (000s omitted.)	1892–3 (0 0s omitted.)		Crops.	[000s omitted.] 1887-91892-3		Increase.	Decrease.	Remarks.
Wheat and Barley	1,541			Jawari	7,120	7,122	2	...	
Jawari and Bajari	12,871			Bajari	4,637	5,450	813	...	
Lesser	2,004	20,331		Rice	1,725	1,667	...	58	
Rice	1,490			Wheat	2,209	1,918	...	291	
Pulses	1,307			Total cereal ...	17,695	17,900	205	...	
				Pulses	2,563	3,215	652	...	
Total food crops...	19,213			Tobacco	80	67	...	13	
				Sugar-cane ...	81	68	...	13	
Tobacco		67		Oil seeds ...	1,640	1,500	...	140	
Sugar-cane ...		68		Cotton	2,816	2,702	...	114	
Spices		180		Orchard and garden produce	152	160	8	...	
Cotton		2,702		Spices &c. ...	164	180	16	...	
Other fibres ...		141		Dyes	8	2	...	6	
Oil seeds... ...		1,500		Total ...	25,302	25,943	641	...	
Dyes		3			598	780	82	...	
Miscellaneous ...		180			24,703	25,102	399	...	
Total non-food...	5,423	4,841			5,726	4,755	...	971	
Grand Total ..	24,636	25,162							

Increases and decreases under better crops—food and non-food—seem to balance each other, and the position is much the same as is was 20 years ago.

Decrease under rice, wheat, tobacco, sugar-cane, oil seeds, cotton and dyes—indicates a serious tendency to decline in intensive husbandry. The total decrease is 635,000 acres under remunerative crops and this concurrently with an increase in cropped area.

SUMMARY OF THE PRECEDING.

The agricultural position

(1872-73——1892-93).

———:o:———

A—Extension of cultivation :—horizontal and vertical ... 3·6 p.c.

B—Intension of cultivation :—

[1] Ploughing.....worse.
[2] Manuring.....worse.
[3] Irrigation.....better by 1·1 p. c.
[4] Restorative method.....unchanged.
[5] Fallows.....worse by 3 p. c.
[6] Out-turn ..... diminishing.
[7] Cropping.....unchanged, but with decided tendency to deterioration.

———in all these points there is a decline in intensive husbandry.

A and B together :—

Increase in cropped area accompanied by a *decline* in intensive husbandry.

3·6 p. c. to balance.

An increase of Population.....13·4 p. c.

,, ,, Revenue :—

General.....39 p. c.

Land.....22 p. c.

,, ,, Foreign Export... 84 p. c.

Wherefore, the general position as regards our agricultural industry is one of deterioration and depression.

Table IV.—Provincial comparative returns.

Acreage (000s omitted)

Province.	(1) Cropped areas.				(2) Double cropped areas.		(3) Ratio of fallows to cropped areas.		(4) Cropped area per pair of plough cattle
	1872–3	1892–3	Increase	Percentage	Areas	Percentage	Area-fallows	Ratio	Areas
Bombay	25,048	25,943	895	3·6	780	3·1	4,755	19	15·3
Madras	19,986	23,737	3,751	18·7	2,675	11·2	5,502.	23·2	10·6
N. W. Provinces ...	24,543	25,243	700	3·	4,621	18·	2,171	8	7·7
Oudh	8,332	8,881	549	6·8	2,745	31·	538	6	7
Punjab	19,724	23,789	4,065	20·	2,945	12·4	3,028	13	11·2
Central Provinces ...	13,270	16,110	2,840	21·	1,636	10·	1,926	12	15·8

This inter-provincial comparison further brings out the fact that we are worse off,

(1) in extension of cropped areas than all these Provinces except N. W. Provinces.

(2) in vertical extension of cultivation than all these.

(3) in regard to "current fallows" than all these except Madras.

(4) in the matter of plough cattle than all these except the Central Provinces.

GENERAL SUMMARY OF THE PRECEDING.

Our agricultural position—absolutely as well as relatively to the other Provinces—is one of *decline*.

FAMINE MISTAKES IN GUJERAT.*

In a previous letter, I referred to the enormous exodus from the relief works that is at present going on on account of cholera in several parts of Gujerat. As many as 136,355 famine workers, with 8,111 dependents (a total of 144,466) have already left since April 21, and more are daily leaving the works. Where these unfortunate people are going—whether they are returning to their village homes, there to suffer and starve, or are aimlessely wandering about in search of food,—or wherever they are, how they contrive to maintain themselves when so deprived of all State assistance—is not clear. But as far as official returns enable us to judge, it is certain that none of them have yet found their way to any of the relief works elsewhere, and that few, if any, of their dependents yet get the village dole. Apparently, there is no organized effort on the part of the local authorities to control and guide the exodus or keep the people in hand by moving them from infected to uninfected areas under responsible direction, and improvising relief camps for their use. Practically, those distressed people are suffered to run away in all directions in wild affright—painless and hungry and destitute of food,—to starve and perchance to die by the way-side or in the jungles, or under their ancestral trees, if they get back to their village home-steads, carrying, however, with them, wherever they go, the fatal infection. Government have no doubt sanctioned some special measures of relief; but, as we know, there is always an interval, more or less long, between the issue of a Government Resolution sanctioning a measure and its translation into a working reality; and during this interval, what must be the sufferings of those people,—men, women and children, all in a state of utter destitution—may be better imagined than described. The grave risks of such a state of things continuing for any length of time are obvious. There is already a serious increase of the death-rate in the Gujerat Districts, and Government is understood to have ordered a searching inquiry.

The situation is indeed such as to cause great anxiety—close on a hundred and forty-five thousand famine-stricken people driven off from the relief works, and running away in panic in all directions in imminent peril of extreme suffering

* This letter appeared over the signature 'G. V. J.' in the *Times of India* dated 6th June 1900.

and starvation! How does Government propose to deal with it? A Government Resolution published in the Government Gazette of the 22nd May outlines the measures it has ordered. Government does not think it is within its administrative resources to improvise any effective system of special relief for all those unfortunate Cholera refugees. All it hopes to be able to do, is to provide relief for but a few of them who need it most. The rest must wait till Cholera subsides, and return to the works or go without State relief. Government is not prepared to go any further.

The special measures sanctioned are these. The village dole lists may be temporarily expanded for these people, and such of them as are "in danger of starvation" may be admitted to the benefit of gratuitous relief, of course under the strict limitations as laid down in Sections 49 (F) and 61 (A) of the Famine Relief Code. As for the able-bodied workers, the opening of small works, at some distance from their homes, is authorised, provided "official supervision" can be arranged for them, and that, too, so as to allow "some" of them to be so employed. And even here, employment is to be given to those refugees strictly on Piece-work, as distinguished from the code system of task-work and minimum-wage. The Piece-work system so ordered is, roughly speaking, a system of increased tasks and lower rates of wages—a system of "payment by results," *i.e.* of wages in strict proportion to the out-turn of the labourer's work, with a maximum limit to earnings, and with the Code minimum substance wage, a Sunday wage and allowances for dependents all knocked off. It is a system of relief which, however good for able-bodied efficient workers, does not admirably suit requirements of the weak and the infirm, who cannot be expected to work by the piece like labourers in a normal state of health and strength, and earn enough for the support of themselves and their dependents. Accordingly in seasons of acute and wide-spread distress, when a large mass of inefficient labour has to be provided for, both the Famine Commissions of 1878 and 1898, concurred in the view that this piece-work system is an unsuitable system of relief, and ought not to be employed save under exceptional circumstances. Referring to the suggestion that "all relief works should be on piece-work system," the Famine Commission of 1878, in para 133 of their report, Vol. I, writes:—"we are of opinion that experience has proved that the portion of the population not accustomed to work for wages on public works will not spontaneously seek such employment until forced to do so by want,

and that it must be anticipated that many will be reduced in strength, and at first, at all events, incapable of earning a livelihood on the public works, assuming that a work to be done to earn a livelihood by everyone must be that of an able-bodied labourer. An unusual proportion will certainly be women and a large fraction will consist of children unfit for labour, the aged and infirm, and those who are unaccustomed to the sort of work, and otherwise unable to work up to the standard performed in the case of skilled labourers in ordinary times. Any attempt, therefore, to make these classes earn their living by ordinary piece-work could not fail to result in great suffering and mortality." The Government of India's instruction on the point during the last famine of 1896–97 was to the like effect:—"When payment by results is adopted, the rates offered should be so regulated as not to attract labour from existing employments elsewhere. If the demand for inefficient labour for employment should increase when the payment-by-results system is in force, it should be first met by opening test works under ordinary task conditions; and if it should continuously increase, the existence of acute distress might be assumed, and thereupon payment by results must be discontinued and task work substituted for it." (Vide Narrative of the Famine in India in 1896–97 by Holderness, page 32, para 63). When, however, such a system of piece-work is, in the opinion of local Government, suitable and necessary, under any special circumstances, Sir J. Lyall's Comission observe in para 215 of their report:—"We consider that in every case it should be a condition that adequate provision is made either by task work, subject to a minimum wage, or by piece work at specially favourable rates for those who, though capable of performing a light task, are unable to earn a reasonable subsistence allowance when payment is made on the ordinary scale strictly by results. Without such a safe guard, we do not think that a system of payment by results is suitable for relief works at any stage of scarcity or famine." And again in para 461, in discussing various systems of payment by results "whatever system of payment by results be introduced, provision must always be made for such weakly persons as may be unable, though not fit objects for gratuitous relief, to earn a subsistence wage under the system in force, or to obtain admission into any of the family or village gangs working under the system. The provision may be in the form of a special piece-work rate to be paid to feeble gangs or they must be treated as task-workers under the Code."

In ordering such a system of piece-work, a payment by results to be strictly enforced on the small works to be opened for these cholera refugees, Government does not seem to have allowed due weight to any of those considerations and views, or provided any safe-guards or modifications such as the Lyall Commission insist on as indispensable ; and a scheme of relief is sanctioned, in order to prevent the works being swamped by people attracted from the larger works, for those people running about in mad terror, depressed and disheartened, which expects them all, famished men, women and children to work by the piece as in normal conditions, and earn their famine wage or go without it.

The cynicism of the special relief so sanctioned for those unfortunates in the Gujerat Districts is apparent, and no comment is needed beyond that it is based on lines opposed to all expert opinion, the concurrent recommendations of two Famine Commissions, and the positive instructions of the Government of India.

But, after all, such special relief—and that too, to be given under restrictions at best ungenerous and inexpedient,—is intended only for a few of those panic-stricken trekkers from the works ; as for the rest, Government pleads its non-possumus, giving reasons in two remarkable paras of the Government Resolution above referred to ;—

" His Excellency the Governor-in-Council sees no objection to the opening of small works at some distance, not less than five miles, from those already in progress, provided the Commissioner N. D. can arrange for reasonable efficient supervision for them and to the extent to which such supervision can be arranged. It is to be remembered that unless labour is really exacted, relief by means of such works is little, if at all less demoralising than gratuitious relief to the able-bodied, and it has not hitherto been found practicable, on account of the want of sufficient establishment, to give relief in this manner on a considerable scale.

" 3. It must be recognised that it will not be possible to give relief in this manner to a large proportion of the people who leave the larger works on account of cholera. The tendency to do so is general, and although the present state of the public health renders it especially disastrous in Gujerat, it must in the main be dealt with there, as elsewhere, in the manner which experience has shown to be generally effective..... When the camps are changed and cholera subsides, it is im-

probable that many who have had experience of relief on the regular works, will persistently refuse to return to them, if they have no hope of assistance at home" (Vide Government Gazette, Part I, page 1052). Or, in other words, Government does not consider it possible or advisable to give relief—even in such critical circumstances—on any large scale by means of such small works, which do not furnish an effective or adequate test of labour and are, besides, so difficult to supervise. It has no faith in such a system of relief and has no requisite establishments for any such organisations. Consequently, the majority of these cholera refugees in Gujerat must go without relief, until cholera subsides and they are able to get back again on the regular relief works.

This is, however, a policy of despair—rather of non-possumus—which rests on too conservative an adherence to, and too blind a faith in, a supreme efficacy of the existing system, but for which there is little excuse, and which the public will not accept as justifiable in any view of the matter. There is nothing in the circumstances to forbid an endeavour on the part of the authorities to deal with the crisis that has arisen in Gujerat—for it is no less—in the same effective way in which similar emergencies are dealt with in other provinces under a proper and carefully planned-out scheme of action, and Government's confession in the present case of its inability to cope with it, except within the restrictive allowable limits of the Famine Relief Code, only seems to point to a most fundamental defect in the general frame-work of the Bombay system of Famine Relief.

Under our present arrangements, almost exclusive dependence is placed on large works, as supplying the most effective system of relief susceptible of easy expansion in case of need, and at the same time, admitting of proper supervision and control and to be put in exhibition at all stages of famine except the initial or premonitory, and there is no programme of small works tacked on to it and maintained—even as a reserve after the first premonitory stages are past—in the back-ground on which to fall back in an emergency. Looking up the latest return for the Presidency, we find that of the two hundred fifteen relief works at present in progress in the Presidency, full two hundred and two are under the management and control of the Public Works Department—all large and of permanent utility—only some seven to ten being allowed to be under the civil authorities.

Now, we may not, with Mr. Malabari, condemn this scheme of large works as useless or inadequate or wasteful; nor, again, share with the Bengal Government their exclusive preference for small over large works for purposes of famine relief. The question here is not one of large versus small works; the selection of works must always vary with the varying conditions of place and time. But it is allowable to argue that no system of large works, no matter how carefully organised, could be effectively worked under circumstances of such acute and wide-spread distress, without an auxiliary scheme of small works, planned out beforehand and always held ready to be put in hand by way of supplement or substitution, as the case might demand, on the occurrence of such a contingency as the one that has arisen in Gujerat, e. g., a choleraic epidemic, which might necessitate the contraction or even suspension of large organizations of concentrated famine labour, and the provision of relief on small works to scattered bodies of distressed people. When large works are started, and thousands of poor starving workers are massed together on them, there is always present the danger of such contingencies arising, and it may be submitted that such contingencies cannot be adequately provided for except under a comprehensive scheme of small works.

Large works may continue to be, as at present, "the back-bone of the system," but to make them the sole exclusive frame work of it is a mistake. Small works are always, at all stages of famine, a necessary supplement which cannot be dispensed with without grave risk, in such emergencies, of a break-down of the general scheme of relief.

In most provinces small works are tried at the initial stages of famine, but more as tests of distress than otherwise; and as the pressure increases and distress spreads and deepens, the famine sufferers are massed on larger works, and famine labour more or less concentrated under the control of the Public Works Departments. When, however, the closing stage arises, such concentration of famine labour is inconvenient and otherwise often undesirable, and it is found necessary to get the people back to their fields, as the rains approach and provide employment for them on small works near their homes. During the famine of 1896–97 in the Punjab, it was, for instance, deemed expedient "to concentrate famine labour from the first as far as possible on works of importance and value, such as Ghaggar Canal in Hissai and the Jhelum Canal

in Gujerat. In the hot weather months, in inversion of the policy presented by the Code, small works were largely resorted to in the Hissai district to supplement the large works in progress, and rapidly approaching completion, and to provide employment nearer the homes of the people at a time when the hot weather conditions were most severe, and when the approach of the rains made it desirable to keep the workers within immediate reach of their fields. These small works consisted of the excavation or deepening of village tanks. . . . . In July 1897, as many as 247 tanks were in progress in those districts, giving on an average one Relief work for every four villagers". . . . . These works were throughout the period "managed by the Civil Authorities with such professional assistance as they could obtain from the District Board establishments" (Vide Indian Famine Commission's Report, 1898, page 91-92.) And this is the policy in this matter of large and small works, which the Famine Commission favour, remarking (in para 178):—"As the hot season, which precedes the rains, comes on, operations on the large public works may with advantage be contracted . . . and village works may be gradually opened."

Small works are further useful, and almost indispensable as a provision for emergencies—such as render impossible or risky the maintenance of central organisations of concentrated famine labour; and the experience of the North West Provinces Government in the matter during the last famine has special value for us at the present moment; and the following extracts from their Famine Report will be of interest:—

"The Famine Code contemplates that these smaller works should be utilised in the early days of scarcity. But during the late famine. . . . . it was not found expedient to adhere to this principle. Large works under the control of trained officers of the Public Works Departments were found both more effective as tests and more capable of ready expansion to meet the large and enforcing demands which characterize the early stages of the famine. Village works, on the other hand, were found more suitable in the advanced season of the year, when the water supply runs short, when the collection of great numbers of workers in one place is attended with danger of epidemic disease, and when it is desirable to find employment close to their homes for persons who, for one reason or another, are unable to join the large relief camps. It was for these reasons, for example, that the Public Works

Department abandoned the great relief works in the Allahabad District in favour of groups of smaller undertakings." And touching the schemes laid, it is further observed:—

"As the warm weather approached, another serious danger threatened in parts of the country south of Jamna. The water supply showed signs of failing. The smaller streams dried up and wells in rocky soil began to run low. Besides the obvious inconvenience and danger of this failure, it brought about conditions favourable to outbreaks of cholera. And cholera was not long in making its appearance. It first broke out with considerable violence in South Allahabad, where about 96,000 labourers had been concentrated for some time. The limited area of country, in which suitable work projects and water supply were available, rendered it necessary to modify the entire arrangements then in force. In fact these conditions came into operation . . . calling for the establishment of small relief works. The whole of South Allahabad was accordingly mapped out into circles, each of about 6 to 7 miles square, and a large number of minor works, each affording accommodation for about 5 hundred labourers, were opened, six to ten such projects being located in each circle. The work-people on the large works were broken up into bodies of five thousand and marched to their allotted circles. Over these a further sub-division into bodies of five hundred men was effected; and each such body told off to the nearest minor work. When all had been in this way dispersed, the individual labourers were then shifted so that each was brought to a work in the neighbourhood of his own village, and had the advantage of being able to return home every evening of his day's task. There were no large standing camps to serve as a nidus for disease . . . . The whole of this re-organization affecting ninety six thousand people was completed for the infected section in a fortnight. Cholera disappeared, and relief was effectively provided for all." "The celerity," continues the Report, "was only practicable, because the people were well in hand, and because the danger had been foreseen, and a large number of village projects selected beforehand to admit of rapid dispersion when the occassion arose. The scheme proved effective and very popular. It had the draw-back of attracting larger numbers than would have sought the works under best favourable conditions, but very liberal measures were required in this tract, where distress was very acute and wide-spread and the resources of the people abnormally depleted. The virulent

epidemic, cholera, disappeared with the dispersion of the large bodies, and after that time recurred only in a mild and sporadic form . . . . . Precautionary arrangements were made in the other districts to follow the South Allahabad plan, should a similar necessity arise." (Vide Administration Report on the Famine Relief in the North-Western Provinces and Oudh during 1896 and 1897, pages 68, 69, and 106.)

These extracts are rather long, but are highly interesting at this moment, as giving us a most suggestive phase of the famine campaign in the North-Western Provinces during 1896 and 97.

Contrast the present unpreparedness or non-possumus of the Bombay Government in connection with the critical situation in Gujerat, with the most effective and successful way in which a similar emergency was dealt with in quite a German-like fashion in the Allahabad district in the North-Western Provinces during the famine of 1896-97; and the difference between the methods of the two provincial Governments is apparent. The fact of the matter is, that our Bombay system o famine relief, to which Government seem so blindly to adhere, is radically defective in that it relies almost entirely on a scheme of large works for purposes of relief under all the varying phases of famine, and does not provide for such contingencies as the one that at present has arisen in Gujerat—which render absolutely necessary resort to small village works in order to afford relief to scattered bodies of famine sufferers. In the face, however, of such a virulent epidemic cholera, as is at present raging in the Gujerat Districts, it would scarcely appear advisable—as the Bombay Government proposes to do—to strictly adhere to, or even maintain, the policy favoured by the Code, of concentration of famine labour on large central works and if relief is to be given to those unfortunate cholera refugees, the opening of minor works on a sufficiently large scale, and conducted on the task-work system of the Code and not on the piece work, is a necessity of the situation. The existing system of famine relief is not a perfect system, and is never intended to be a cast-iron, inelastic system, from which all deviations are peremptorily forbidden. New situations, as they arise, necessitate modifications and sometimes demand new measures, and the present crisis in Gujerat clearly belongs to this category.

It is true, small works, numerous and scattered, do not easily lend themselves to economical management or effective supervision. But difficult though the task is, it is certainly not beyond the administrative resources of the Government. There are the local—village, taluka, and district—establishments ready to hand, which might be employed in the way in which similar local agencies were in the Punjab and in the North Western Provinces, three years ago, in the work of supervision. This is, however, a matter of administrative detail. The question that presses is one of policy, not of plan.

The situation in Gujerat is undoubtedly a most embarrassing situation. But the public have every confidence that the Government of Lord Northcote will rise equal to the emergency, and casting aside all blind reverence for a traditional system which has been tried and found wanting, and initiating a bold departure in this respect on lines found so effective and successful in the North Western Provinces just three years ago, under similar circumstances, do all it lies in its power to do, to alleviate the sufferings of those one hundred forty five thousand cholera refugees in Gujerat.

Time however presses, and unless some such comprehensive scheme of relief by means of numerous small works is adopted and adopted without the least delay—there is grave reason to fear that there would be much suffering among these unfortunate people and possibly, heavy mortality, for which the Government will make itself responsible.

The letter, Sir, is long—very long, but my excuse lies in the difficulty of the question, and I would humbly throw myself on your kind indulgence for space. Trusting that the appeal addressed in the preceding lines to Government on behalf of these panic-stricken cholera refugees in Gujerat will meet with your approval and receive your support, I remain yours etc.

RELIEF MEASURES IN GUJERAT.

I

The question of famine relief measures in Gujerat is one of pressing importance, but having only lately taken up so much of your valuable space, I am afraid it would scarcely be excusable in me to trespass any further on your indulgence in that connection ; and my reply to " X. Y. Z.'s " letter in the *Times* of the 12th Instant, must be brief.

" X. Y. Z.," presumably, writes from official knowledge, citing facts and figures not yet published, and has access to sources of information not open to the public. As regards the recent outbreak of cholera in several relief camps in Gujerat, he assures us the emergency was not only foreseen, but was duly provided for by way of anticipation, and Government had under famine programme " a large number of small village projects "—full as many as 413 for three districts alone—to be started at once in case of need. And in this connection, when the emergency came, Government, inspite of their declared non-possmus, (Vide Government Gazette of May 22) to some extent, ordered the plan of campaign to be put in execution. Besides the expansion of the village dole lists, small village-tank works were opened for the district people, who were running away from the larger relief works. It would be interesting to know how many such works were started, and in what parts, and how many of the refugees were taken on them. The weekly returns do not much help us in the matter as containing no mention of any such. On referring to these returns, I find that between April 7 and June 5 some twenty five new works were opened in Gujerat—14 in Ahmedabad, 8 in Kaira and 3 in Broach—mostly tank works, but probably by way of substitution and not addition, for the total number of relief works in progress continues the same, *viz.*, 73 and not " more than 100," as " X. Y. Z. " states. (Vide latest return for the week ending 26th May).

As regards the exodus from the cholera-stricken camps, " X. Y. Z. " does not think it could have been prevented or in any way controlled It was impossible to keep the panic-stricken people together, particularly the Bhills and Kolis, and the methods found practicable in the North West Provinces had

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* This letter appeared over the signature ' G. V. J.' in the *Times of India* dated 16th June 1900.

simply no application here. As far as the wild tribes are concerned, your correspondent is probably right in his views. They are, however, to be found only in two out of the five Gujerat Districts, *viz.*, Broach and the Panch Mahals, where their total strength is, according to the last census, 28,891. These apart, rest of the workers in the relief camps were Hindu Kunbis and Musalmans, and "X. Y. Z." would not, I suppose, contend that they, too, could not be kept in hand. We may not admire the German methods of the North West Provinces Administration, but surely the experience gained in those provinces during the last famine, as to the way in which large bodies of distressed people could be effectively and successfully handled and controlled, will be allowed to have been too valuable to be so lightly brushed aside. I would not, however, press an analogy which may not perhaps apply to existing conditions in certain parts of this Presidency. As to the Bhils and Kolis and Nikwards, they are admittedly "unmanageable—difficult to deal with even in their wilds in famine times—averse to regular work, and impatient of control and discipline, always fickle and suspicious"; and was it not, I would ask, little short of an administrative mistake to get them on these large works and keep them there massed in such numbers? The miserable break-up of relief camps, when cholera broke out and panic ensued, like those at Dohad and Godhra, where 8 thousand and 11 thousand of such people were massed, can occasion no surprise. These wild tribes should have come in for special treatment for purposes of relief, as recommended by the Lyall Commission (Vide Chap. Section 3 of their Report) and employment provided for them on small works in their village or village groups, under the supervision of their village headman whom they trusted. Now, at all events, that the monsoon is advancing, and as it is important that these and other distressed people as well should be, as far as possible, near their homes, it would seem, Government cannot do better than put in hand the programme of small village projects, "X. Y. Z." assures us, they have ready for such emergencies.

Your correspondent does not seem to think, however, that any such village works need be even new, or indeed can be usefully started. The works at present in progress are as good, infinitely more useful, and near enough to the peoples' homes. The following analysis of them, however, will show that they

are far from being the class of works the present stage of distress requires :—

District.	No. of relief works.	Area in sq. m. served by each relief work.	No. of villages served by each work.	Average population served by each work.	No. of workers at present employed.
Ahmedabad	22	191	40·1	42,000	2,710
Panch Mahals	9	178	77	34,800	2,571
Kaira	17	95	34·6	51,270	3,513
Broach	18	81	22	19,000	2,700
Surat	7	236	122	92,000	730
Average for the 5 districts for	each of 73 works	140	47	42,500	2,700

A scheme of smaller works much nearer the village-homes of the distressed people—this is a pressing need of the hour, not only in Gujerat but in the Deccan as well.

That most of the works at present in progress are well-selected and are works of permanent value and utility is not disputed ; but the question is whether it is right and safe to exclusively rely on such for purposes of famine relief at all times and under all circumstances, and whether a programme of smaller subsidiary works is not needed by way of supplement to be put in execution, not only in such emergencies as a cholera out-break, but on the approach of the monsoon, or after the commencement of the rains.

As regards the condition of the trekkers from the cholera-stricken camps, " X. Y. Z. " does not think it is so bad as I imagine. I would only invite his attention to the " tragic side of famine" in the Panch Mahals, and the horrors of the " dismal exodus " from the Godhra Camp as unfolded in the graphic letter of your special correspondent, dated Camp Godhra, May 26, published in the *Times of India* of the 7th Instant.

First, as regards special relief for these distressed refugees—I am sorry " X. Y. Z. " misquotes me and says I am wrong. My statement as to " few, if any" getting the village dole, has reference not to the trekkers generally, but to these 8,111

dependents who, instead of returning to the village homes after the break-up of their camp, have accompanied them in their trek; and on looking up the figures again, I see no reason to modify it. Indeed, I find the number of such dependents to be full 10,500 up-till May 26th, without State-help in any form. No later return is yet available. The following figures may be of interest in this connection :—

GUJERAT DISTRICTS.

The week ending.	Total No. of workers on relief works.	Total No. of Dependents	Total No. of persons fed in poor houses and kitchens.	Total No. of persons in receipt of village dole.
14th April ...	**327,631**	63,556	**19,461**	20,339
21st April ...	340,084	**57,448**	20,815	23,159
28th April ...	315,678	63,353	20,770	23,923
5th May ...	292,409	60,413	19,035	26,746
12th May ...	250,123	52,147	18,211	30,346
19th May ...	204,067	40,826	18,634	36,042
26th May ...	194,394	33,992	16,755	46,055

The decreases between April 21 and May 19 were as under :—

Workers ...	... 136,017
Dependents ...	... 22,527
Poor house inmates ...	2,181
Total ...	160,725

Against this decrease of 24,708 dependents and other gratuitously relieved persons, we have an increase in the village dole list of 12,853, leaving 11,825 helpless persons unprovided for at the end of the week ending 19th May. Of those, we find 1,298 found relief in their village homes during the next week, and we have still 10,527 of these dependents and poor house inmates—old, infirm and incapable—without relief of any kind. Let us hope there will be improvement in this respect in the next few weeks.

Finally, I come to the Panch Mahal figures. The numbers "X. Y. Z." gives represent the weekly totals. The daily average number on the village dole for the 7 weeks from April 7 to May 26, I find to be as under :—

The week ending	Total No. on village dole.	Remarks.
14th April	1,014	
21st April	799	
28th April	893	May 1–8, break-up of the Doha camp of 8,253.
5th May	1,203	
12th May	1,953	May 21–8, break-up of the Godhra and Jhalad camps,—each of 11,000, on out-break of cholera.
19th May	4,436	
26th May	7,129	

An increase of 6,236 in the number of persons on the village dole lists, no doubt, represents, as far as it goes, a fair measure of relief afforded to the weak and infirm among the distressed trekkers. And I have never asserted that none of them get any relief of the kind. My statement, I would repeat, in my last letter, had exclusive reference to the number, as I found it from the returns, of workers, and their dependents who had run away from the works and, till then, were without State-help of any kind ; and I am glad considerable numbers of them have been since and are being admitted to the benefit of State relief. But even here in the Panch Mahals, the number of distressed trekkers still without relief is full 18,528, and the public are anxious to know if anything is being done for their relief by employment on small village works near their homes, or otherwise. Let us hope, later returns will furnish a satisfactory answer.

Meanwhile the public will, I am sure, endorse the views of your special correspondent writing from Camp Godhra, under date May, 26, who holds that "what is wanted is a more elastic Code, a lighter task to make these famine works more attractive, a greater number of small works, and when possible a wider system of village relief." That is the pressing want of the hour—particularly small village works—not only in Gujerat but all over the famine area. And with that remark I would close, apologising for the length even of this brief reply to the remarks of "X. Y. Z."

RELIEF MEASURES IN GUJERAT.*

II.

As far as the administration of relief measures in Gujerat is concerned, the official famine statement for the current week is eminently re-assuring. It will allay public anxiety as to adequate provision of relief for distressed cholera refugees. As soon as, towards the close of the last month, it was evident that the trek from the works on account of cholera was reaching enormous proportions, and demanded special measures, vigorous action seems to have been planned out with generous promptitude with a view to the special relief of these panic-stricken trekkers, though, of course, on the narrow lines laid down in the Government Resolution of 22nd Ultimo. Some 65 small works have since been started for their benefit, and the village gratuitous lists expanded, so as to admit of large numbers of them being put on the dole in their own village homes; and besides, many have returned and are returning to the larger works. The result is that the total number on relief in these Gujerat Districts is now very much what it was before the cholera exodus; and making allowance for increased intensity of distress during the interval, it would appear that most of the cholera trekkers are now again in receipt of State-help in some shape or other, except in the Ahmedabad and Broach collectorates, where the numbers are still short of the pre-exodus level by about 44,000.

The figures are as under :—

Total Number of Relief.

District.	Before exodus April 21.	Exodus May 19.	Present week ending 16th June.	Difference between figures before the exodus and now.
Ahmedabad ...	169,475	97,749	134,264	
Broach	84,690	78,405	76,440	—43,461
Total	254,165	176,154	210,704	
Panch Mahals ...	53,225	33,688	81,131	
Kaira	115,138	80,303	125,225	
Surat	18,968	9,424	23,373	...42,398
Total ...	187,331	123,415	229,729	
Grand Total ...	441,496	299,569	440,433	

* This letter appeared over the signature 'G. V. J.' in the *Times of India* dated 3rd July 1900.

Thus, the total number of persons in receipt of relief is now practically the same as about the cholera exodus—short by 1,063. Put in another way, the figures stand thus :—

Class of persons on relief.	Before exodus April 21st	Exodus May 19th.	Present week 16th June.
Workers	340,084	204,067	267,640
Gratuitously relieved	101,412	95,502	172,793
(*a*) Dependents 57,444		40,826	43,612
(*b*) In poor houses 20,815		18,634	14,203
(*c*) On village-dole 23,149		36,242	114,976
Total ...	441,496	299,569	440,433

From the foregoing table it would appear, out of the 1,36,000 famine workers who had been scared away by cholera, over 63,000 have since returned to the works; out of the 15,000 dependents who had accompanied the workers in the exodus, just 3,000 are now back on the works with the workers; of the rest of trekkers, workers and dependents numbering together 87,000, close on 44,000 wait still out in the cold out-side the pale of State relief in the Ahmedabad and Broach districts, while the remaining 43,000 are taken on the village dole.

The admission of so many as 43,000 of these cholera trekkers to the benefit of gratuitous relief in their own village homes marks a noticeable expansion of the village dole list, and if it has taken place—as presumably it has—under the stringent limitations laid down in Sections 49 (F) and 61 (A) of the Famine Relief Code in accordance with the Government Resolution of May 22, would seem to furnish a sad index to the woeful distress in which these poor people were after the exodus and before they were put on dole.

* There seems to be some discrepancy in the figures in these two tables, and that on page 399.

The detailed district figures on this point would be of interest:—

District.	Class of Relief.	April 21	June 16
Ahmedabad...	Workers ...	1,24,531	74,493
	Gratuitously relieved.	44,924	59,861
Panch Mahals	Workers ...	42,671	43,116
	Gratuitously relieved.	10,561	38,015
Kaira ...	Workers ...	91,955	88,715
	Gratuitously relieved.	26,183	35,510
Broach ...	Workers ...	65,975	54,445
	Gratuitously relieved.	18,715	21,895
Surat ...	Workers ...	14,932	5,861
	Gratuitously relieved.	4,026	17,512
Total for all the 5 districts.	Workers ...	3,40,084	2,67,640
	Gratuitously relieved...	1,01,412	1,72,793

It will be noticed how largely the number on gratuitous relief has gone up all round since the exodus. Taking the five districts together, the increase is full 71,000—from an average of 1,01,412 during the third week of April to 1,72,793 during the week ending 16th instant. The village dole list which stood at 23,147 now shows a formidable total of 1,14,978 or a five-fold increase. The proportion, too, of such numbers on gratuitous relief to the total number of workers exhibits a like advance. During the week ending April 21, the numbers were—workers 3,40,084, gratuitously relieved 1,01,412—or in the proportion of 1 : 3·4; now the ratio is as high as 1: 1·6, there being 1,72,793 on gratuitious relief to 2,67,640 on the works. In Ahmedabad we have about 60,000 in receipt of such relief

against a total number of 74,000 workers. In the Panch-Mahals the two numbers come very close, 38,000 thousand against 43,000. In Surat, we have what will strike most people as a remarkable phenomenon, *viz.*, the number on gratuitous relief is 17,512 against 5,861 workers, or full three times the number on the works.

There is a good deal about these and other figures in the official famine statement, that is anomalous, and challenges attention, as marking a wide diversion from the usual lines of famine relief; and however satisfactory it is to find that the majority of these cholera refugees have at length been again got on State relief, though not without a most trying interval of some weeks, we cannot shut our eyes to the inherent defect of a system of famine administration, under which such undesirable delay was found unavoidable in bringing relief to the trekkers, and which has necessitated such a large dislocation and disturbance of relief arrangements—and that, too, on the occurrence of a by no means unexpected or unforeseen contingency. It would, however, be ungenerous, and scarcely right at this stage to examine too closely the conduct of an exceptional relief operation carried out under circumstances of no ordinary embarrassment; and it will, I am sure, be gratefully recognised on a general view of the figures above put together that the local officers in these Gujerat Districts—acting under the able and inspiring guidance of that veteran worker in the famine field and trusted friend of the people, the Hon'ble Mr. Lely—are dealing with a situation of serious difficulty with remarkable energy and vigour, and are doing in a spirit of broad-minded sympathy all they can, though of course under the hampering restrictions of an inelastic and defective Code, to alleviate the sufferings and hardships of distressed poor. The state of things in Ahmedabad and Broach is yet far from being all that could be desired, but even here, there is steady improvement.

There is, however, one point in connection with this scheme of special relief, that is at present being worked out in these Gujerat Districts, to which attention may be usefully invited; and that is in regard to small works. We learn from the official statement that there are at present some 65 works of this kind started in Northern Gujerat. The opening of such village works for the relief of the distressed is no doubt a most welcome departure, but the number is manifestly inadequate for the needs of a province which has a total of

3,424 villages and contains a population of over 30 lakhs of souls and has just now on its famine muster rolls close on four and half lakhs of distressed people. The monsoon is just setting in, and as it is important that these people should be as near the fields as possible, it may be hoped that the number of such works will be at an early date largely increased. Government is believed to have on its famine programme some four hundred and more such village projects, and there need be no difficulty in the matter. As regards management, we are told that these small works, in the absence of a more suitable agency, are at present placed under the control of village officers and dole committees. It will, however, be advisable to provide, even in regard to this class of works, some sort of professional guidance and supervision, and it may be suggested that a special staff of trained P.W. subordinates may be entertained, as a temporary measure, to work as travelling inspectors, each, say, with a charge of some 25 to 30 village works. It will no doubt entail considerable additional expenditure but, we may be sure, the extra outlay will bring in an ample return in the shape of better and more effective work. In Bengal, during the famine of 1876-77, numerous small, scattered village works were the chief feature and back-bone of the relief system, and the Local Government so strongly held the view that adequate supervising establishments were "economical in the long run," that they entertained a large subordinate professional staff and work-agents and sub-overseers for the purpose. Some such arrangements might here in Gujerat, too, be advantageously adopted.

But, "it is reported"—so we read in the official statement—"that advantage is not taken of these works to a large extent, and people who had been scared away by cholera are now returning by preference to the larger works." Such preference, however, shown by these cholera trekkers need cause, as things are, no surprise. The reason for it is apparently not far to seek. Presumably, employment on these works is offered to the distressed refugees, agreeably to the Government Resolution of May 22, on the piece-work instead of on the task-work system of the Code. And, we all know what this piece-work system or system of payment by the piece means. It is a system of stiffer task and low rates—with a maximum limit to

earnings with no mimimum wage, no wages for rest days, and no allowance for dependents. Under such a system in force on these smaller village works, it is no wonder that these cholera trekkers,—even so awfully afraid of that epidemic—are returning "by preference" to the larger works where they have the benefit of the task-work and minimum-wage system of the Code.

This piece-work system is evidently for able-bodied labourers, intended as an inducement to them to do a fair day's work and can never suit the less efficient and weakly. Accordingly, however, it may be useful and suitable for the earlier and lighter phases of a famine when it is necessary to apply a rigorous test of distress and serve as a check on resort to State relief of persons able to earn a subsistence, otherwise or or elsewhere, as well as "at the end of a famine, if any able-bodied labourers are disinclined to go back to their ordinary work. . . . . , to induce them to go." (Vide Famine Commissioner's Report, 1,326). It cannot be too strongly urged that this piece-work system is altogether out of place in a scheme of relief intended for a stage of acute and wide-spread distress, such as we are at present passing through. The starting of such small works near the people's homes is, as observed before, a timely and graceful concession to the needs of the distressed poor, and it may be permissible to hope that the concession may not be robbed of its value and grace by the attaching to employment on them of conditions calculated to deter distressed people from resorting to them and drive them "by preference" to the larger works. Besides, cholera is still bad in Ahmedabad and other parts of Gujerat, and cases are reported to be occurring on relief works,—some 75 cases during the last week,—and the evident risk of keeping large numbers of famine sufferers on large central works ought not—at all events after the bitter experience of last month—to be altogether kept aside. And further in view of the supreme necessity that at present exists for getting back these people as near to their village homes and fields as possible on the eve of the monsoon, we may venture to urge on the attention of the authorities the desirability of substituting the task-work and minimum-wage system of the Code in place of piece-work on these smaller works in

Gujerat and making them attractive to the suffering poor. Under better and more effective supervision such as I have suggested before, by that temporary employment of an adequate professional staff of trained overseers, there will be, I would submit, little fear for these works—even conducted on the task-work principle—being practically so many "alms-houses in disguise" at the people's doles. It will, no doubt, have the drawback of attracting to such small works larger numbers than it may be possible or desirable to take; but it has to be remembered the pressure of the situation is unprecedentedly severe and calls for very liberal measures of relief. The conditions of work and wage being thus equalised on the task-work principle, for both classes of works—large and small, we may rest assured that the distressed poor, particularly these cholera trekkers in Gujerat, will no longer exhibit such strange "preference" for the larger works and central relief camps of which they are in such mortal dread, and come upon the smaller village works near their homes, rather than migrate in a nomadic spirit with their families to distant works, and that the generous intentions of Government in starting such village works will be fulfilled.

REVENUE COLLECTIONS IN THE FAMINE DISTRICTS.*

I

You have within the past few weeks addressed more than one powerful appeal to the authorities on behalf of the broken peasantry of Gujerat and the Deccan for the adoption of a more liberal policy in this year of calamitous famine in the matter of land revenue suspensions and remissions. Similar appeals have also gone up to Government from other organs of public opinion and yet, despite all such appeals, it is disappointing to find that the position of things in this regard is as unsatisfactory as ever. Neither Lord Northcote's Poona speech, in reply to the Deccan Sabha's address, nor Government's reply to the Presidency Association, seems to have in any way improved matters, and the pressure continues unrelieved. Judging from local accounts, it would seem the work of collection is proceeding apace in all the famine districts as before, and on lines hardly consistent with that policy of generous sympathy and consideration which the exigencies of a hard situation demand, and to which the suffering ryots have a claim in a season of such distress. The revenue realisations up to the closing week of last month—according to the figures quoted in the *Times* of the 29th ultimo—amounted to 105·5 lakhs out of a total demand of 205.2 lakhs in these affected districts, or over 50 per cent,—the percentage in 6 districts being as high as 70, and in the remaining 5, over 21—thus :—

District.	Total demand in lakhs of Rs.	Total realisations up to close of June.	Percentage of realisations to total demand.
Surat	23·92	22·6	95
Sholapur	11·40	8	70
Nasik	15·54	11	70
Satara	19·42	13	67
Khandesh	41·26	24·5	60
Poona	13·44	7	52
Total ...	124·98	86·1	70
Panch Mahals	3·36	1·25	·37
Kaira	21·37	7	32
Ahmednagar	16·70	5	30
Ahmedabad	16·12	3	18
Broach	22·70	3·2	14·4
Total ...	80·25	19·45	24.

* This letter appeared over the signature 'J.' in the *Times of India* dated 28th July 1900.

The high percentages of collections in some of the Deccan districts, for which a more liberal treatment has been promised more than once in consideration of the fact that "the recurrence of severe famine after an interval of but two not very favourable seasons must have exhausted the savings of many cultivating occupants" (*vide* G. R. of April 7), are noticeable. The Collectors estimate the recoveries in the current year at from 62 to 75 per cent of the demand, and in Nasik at a higher figure. If the work of revenue collection, however, goes on as heretofore, it is not unlikely that the official estimates will be considerably exceeded, and that the final realisations will come up to within a short distance of the total demand in these affected districts; and this, be it noted, in a year in which the failure of crops here is almost complete and the loss of cattle, by all accounts, is, particularly in the Gujerat districts, simply disastrous. Figures relating to cattle mortality are not available, but we have official estimates as to loss of crops in these districts given in a Note, dated 26th February, 1900, issued by the Acting Survey Commissioner and Director, Land Records and Agriculture, and published in the *Government Gazette* of March 1st 1900. These estimates are as follows:—

District.	Area shown in acres in 1899-1900.	Outturn in Indian maunds, 000's omitted.		
		Outturn in 1898-99.	Out-turn in 1899-1900 lakhs omitted.	Percentage of out-turn in 1899-1900 to that of previous year.
Ahmedabad	2,40,826	8,102	411	5·1
Kaira	2,04,439	7,343	411	6·6
Panch Mahals ...	2,03,779	3,684	33	0·9
Broach	35,703	3,031	39	1·2
Surat	2,74,836	4,548	279	6·2
Total ...	9,59,583	26,708	1,173	4·4
Khandesh	13,92,785	10,801	344	3·1
Nasik	10,13,036	9,235	1,798	19·4
Ahmednagar	19,99,772	8,997	1,216	13·5
Poona	14,38,301	7,931	1,098	14·2
Sholapur	17,78,677	9,151	847	9·2
Total ...	76,22,571	46,115	5,303	11·4
Grand Total ...	85,82,144	72,823	6,476	9 nearly.

The area sown this year is about 72 per cent of the total acreage under crop last year; but the estimated yield is not even 9 per cent; it is only 4·4 in the Gujerat districts and 11·4 in the Deccan—(the figures for Satara are not avilable).

Never in previous famines was there such a disastrous crop-failure, except in Sholapur and Bijapur. In the famine of 1876-7 the percentage of the actual outturn to the normal ranged from 62·3 in Satara and 60·5 in Khandesh to 28·6 in Belgaum and 21·6 in Dharwar. In Sholapur and Bijapur it was 3·6 and 5·2. Even in the famine of 1896-7, officially described as "the most calamitous famine of the century," the outturn, though smaller than in 1876-7, still varied from 37·5 per cent in Dharwar and 36·8 per cent in Nasik to 29·2 per cent in Nagar and 24·3 per cent in Poona, of the normal average. In Sholapur the percentage was 8·3; in Bijapur ·07. In the present year in no famine district does the estimated yield come up to even 20 per cent of the normal. Sholapur is slightly better this time with 9·2 per cent; but in Broach and the Panch Mahals, the crop-failure is almost total; in Khandesh it is but a trifle over 3 per cent.

Further, be it remembered, this year of such calamitous failure of crops and loss of cattle comes upon the top of a series of years of gradual but continuous agricultural decline. The following figures put together from the Annual Reports of the Department of Land Records and Agriculture may be of interest in this connection:—

[000's omitted.]

Year.	Cropped area in acres.	Plough cattle.	Ploughs.	Land Revenue demand in lakhs of Rs.
1892-3	17,520	2,135	667	199·2
93-4	17,352	2,158	657	202·3
94-5	17,479	2,107	642	203·2
95-6	17,052	2,107	614	203·8
96-7	14,765	1,911	555	205·3
97-8	16,138	1,926	588	205·7
98-9	16,741	1,898	541	205·2

These figures relate to the 11 famine districts. In the Gujerat districts—excepting the Panch Mahals, which show a

steady improvement all round—the decline in cropped areas, plough cattle, and ploughs is almost continuous; the Deccan districts exhibit a slight recovery from the effects of the famine of 1896-7. On a broad view, however, the indications of agricultural depression in these zillas are unmistakable—and this, too, concurrently with a gradually increasing burden of land assessments. And indeed, on referring to the Settlement Reports, we find a total increase of over 8 lakhs on revision in these districts in the aggregate assessment.

The indebtedness of the agricultural classes has also been on the increase during the period. We have full statistics for the four districts of Poona, Satara, Nagar and Sholapur under the Deccan Agriculturists' Relief Act bearing on the point. They are as under:—

Value in lakhs of Rupees.

Year.	No. of Sale Deeds.	No. of Mortgage Bonds.	Total No. of Sales and Mortgages.	Value of Sale Deeds.	Value of Mortgage Bonds.	Total Value.
1891	16,643	46,245	62,838	20·8	45·5	66·3
1892	18,141	52,645	70,786	23·3	48·6	71·9
1893	21,225	57,487	78,742	28·9	58·8	87·7
1894	20,847	54,059	74,906	28·6	56·8	85·4
1895	32,204	59,376	91,580	31·5	61·8	93·3
1896	23,021	59,395	82,416	29·9	58·2	88·1
1897	27,554	81,885	109,439	31·2	69·6	100·8
1898	24,204	53,631	77,835	32·5	55·3	87·8

In 1885, the total number of sales and mortgages was 35,640 (sales 11,770 and mortgages 23,870), with an aggregate value of 47·7 lakhs; in 1898, the total number of these transactions was 77,835. During the previous three years, the numbers were simply alarming, the famine year sending up the totals of transactions to full 109,439, with an aggregate value of over a crore! When we remember that the total number of small holdings, averaging 25 acres and under, is 146,222, we can at once see the painful significance of these statistics, and easily conceive how growingly severe must be the pressure of indebtedness among the poorer classes of cultivators—the sales of land indicating the pressure of past, and the mortgages, of present debts.

In Nasik and Khandesh the state of thing in regard to agricultural indebtedness is understood to be even worse, scarcely one-fourth of the ryots being free from debt, and more than two-thirds of the lands in the hands of the Sawkars. In the Gujerat districts things are slightly better; but most of the Kali-Paraj cultivators, who number over 70 per cent of the total peasantry of the Province, are deeply involved in debt—tilling their lands (all mortgaged) "as predial slaves" of the Sawkars.

Such is in broad outline the position of the cultivators in those 11 districts; it is a position of diminishing agricultural resources and increasing debt-pressure.

Under such circumstances, it is hard to share the officia view that the ryots in those districts, in this year of appalling distress—a year, moreover, over-topping a cycle of by no means favourable seasons—are paying up 60 and 70 per cent of their assessments "without undue difficulty," and without pressure, and without having recourse to the aid of the Sawkars in some shape or other. Government no doubt gives a frank acceptance to the broad principle laid down by the Famine Commission of 1880 that "nobody should be forced in such seasons to borrow to pay the land revenue" (*vide* Rep., Vol. I. para. 167), and directs in its Resolution of April 7 that "no coercion should be used to recover from an occupant assessment which he cannot pay out of resources other than those needed for the efficient resumption of agricultural operations." But when it is found that in a district like Sholapur—so hard hit in all these three famines—and which is one of the poorest in the Presidency, and which, moreover, owing to the heavy indebtedness of its ryots, is under the protection of a special Relief Act,—or like Nasik,—where agricultural depression is so severe—the collections of land revenue have already been fully as high as 70 per cent of the total demand, the public are justified in enquiring how far these principles laid down by Government are being acted up to, and if a wide margin does not exist between them and the actual operations of revenue collections as at present going on. Thus, indeed, the very instructions which Government has thought fit to issue to the District Officers in the matter, and which will be found contained in Government Resolution of January 16, 1900 and annexatures, strike us as being in strange conflict with its generous intentions. They are in fact so framed as to obviate all need for any grant of such relief in the shape of suspensions or remissions of revenue. They recognise no crop-failure—no

matter. what its extent or nature—as any ground for allowing exemption, except in extreme cases, from liablity to pay the land revenue, and lay down as a general proposition that all those who can ought to pay the land revenue—whether the land yields anything or not ; and in both these respects they mark a departure alike from the prescriptions of the Relief Code and the recommendations of the Famine Commission. They first originated in the famine of 1896-7 with the Collector of Poona, who when he found a widespread determination in his district on the part of the ryots not to pay the revenue, thought it advisable to meet such determination " with firmness, " and drafted and submitted them for the approval of Government. They duly received that approval and were extended to the whole famine area. The effect was little short of magical. The revenue came in with marvellous ease, the suspensions ultimately found necessary only amounting to 7·8 lakhs or less than 5 per cent of the total demand, and there were practically no remissions—not even in Bijapur—where the crop-failure was almost total.

The same instructions are repeated this year, though apparently without any such excuse as existed in the famine of 1896–7, *viz.*, in order to defeat a "political agitation." They are as follows :—

" (1) On the expiry of the ten days' grace usually allowed from the date on which an instalment falls due—notices shall issue to—

(*a*) All non-agriculturist occupants and all non-agriculturists directly interested as mortagagees or otherwise in land, whatever the outturn of the land may be ;

(*b*) All agriculturist occupants whom the Mamlatdar knows, or has good reason to believe to be—

(*i*) Either well-to-do (*i.e.* possessed of sufficient means to be able to pay without undue difficulty) whatever the out-turn of his fields may be;

(*ii*) Or occupants—who are not well-to-do—of fields which have yielded a crop of four annas and over ;

(*c*) All agriculturist mortgagees and others interested directly in lands in the occupancy of class (*b*) ;

(2) And notices shall not issue to agriculturist occupants or mortgagees &c., who have both of the following qualifications—

(*i*) Not well-to-do.

(*ii*) Crops have not reached four annas."

Such are the instructions at present in force. On close consideration, it will be seen, they virtually amount to a denial of relief except to a very small class of broken ryots: by refusing to recognise any claim to leniency in the enforcement of the State demand—on the ground of crop failure—on the part of non-agriculturists, occupants and mortgagees, and even of ryots, admittedly not well-to-do, but who have obtained a fourth of an average crop, which can, however, barely suffice for the maintenance of themselves and their families; and by confining relief to cultivating ryots and cultivator-mortgagees who are not well-to-do, and have not besides got even one-fourth of an average crop. I contend that these orders of Government in regard to the collection of land revenue in the famine districts effectually exclude from the benefit of relief the vast majority of our poorer ryots, and force them to borrow to meet their liabilites, in contravention of the principle laid down by the Famine Commission and accepted as the guiding principle in the matter in all the Provinces of India.

To take the exempted classes first, we have no statistical data for ascertaining the number of persons to whom relief is so extended. But ryots who are not well-to-do and who, though they may have debts, have not mortgaged the lands to non-agriculturist Sawkars—and who have further failed to obtain even a 25 per cent of an average crop—must be very few indeed—and I think, we cannot be very wrong if we put it at (say) 10 per cent of the total body of agriculturists. As regards agricultural mortgagees, the number of such ryots cannot likewise be exactly known. In 1889, Mr. A. F. Woodburn, in his report on the working of the Deccan Agriculturists' Relief Act, put it for the Deccan districts at from 7·2 per cent in Poona to 3.9 per cent in Satara (*vide* Appendix E, Form 4, of the Report). The class is believed to have been steadily, though slowly, growing since all over the Deccan and elsewhere, too, and may now represent about 10 per cent of the total number of ryots. Relief under the present orders is promised only to such of those as are in a position of difficulty, or, say, to about a third of the number. Putting the two classes together, we thus reach a total of about 13—15 per cent of the ryots who are entitled to relief under the existing orders. As regards the rest—they go absolutely without any such help from the State.

Adopting the Census classification, we have in these zillas:—

		Male population	p. c.
(1)	Land occupants not cultivating =	6,241	= 2·6
(2)	Land occupants cultivating ... =	18,30,637	76·6
(3)	Tenants and sharers, cultivating =	4,94,357	20·7
	Lessees, &c.....	730	...
	Total male agriculturists ...	23,89,040	

First, as regards *land-occupants not cultivating*—these hold lands as superior land-holders, sub-let them and receive rents. They are generally men of means, and Government sees no reason for exempting them from the fulfilment of their liability to the State (*vide* para. 3 of Government's reply to the Presidency Association), and accordingly allows them no relief of the kind. It may, however, be pointed out that when those men pay up their assessments, they do so as superior land-holders and are entitled as such to Government assistance under Section 86 of the Land Revenue Code in the summary enforcement of their rents from their tenants. We have no Tenancy Law, and these cultivating tenants, who number full 20 per cent of our agricultural population, have in this Presidency no recognised rights under the law, and no sort of legislative protection whatever. They are as a rule the poorest of the poor—struggling somehow to maintain themselves—almost hopelessly involved in debt—and yet are left entirely at the mercy of the superior landlords, and must pay up, under the present orders of Government, their full rents—which are usually two, three or four times the assessments—even in this season of distress under the coercive processes provided by the Land Revenue Code, by borrowing for the purpose on the most ruinous terms. In the North West Provinces, the law allows exemption to superior landholders in season of drought and distress on condition of their granting similar relief to their tenants. The Famine Commission refer with approval to this feature of the land legislation of those Provinces, and recommend that the principle underlying it "should, if possible, be extended" to the other Provinces. With us, however, as things are, the expediency of any such relief to the poorer under-tenants is not recognised, and result is that these tenants in these famine districts—numbering about 10 lakhs—must go without it, and are left to meet their liabilities as best they could—by *borrowing*—if even that should be possible.

As to the next, *cultivating occupants* (76·6 per cent)—they are :—(*a*) Those who are well-to-do (about 10 to 15 per cent);

(*b*) Those who are fairly well-off and can meet their liabilities in good seasons, and are yet free from debt (about 10 to 15 per cent);

(*c*) Those who are not well-to-do and are in debt (about 40 to 45 per cent.);

(*i*) Those who have debts but have not yet mortgaged their lands.

(*ii*) Those whose debts are heavy and who have mortgaged their lands either to non-agriculturist Sawkars or money-lending agriculturists.

Of these,—Ryots of *class* (*a*) have the means to pay and ought to pay the Government demand.

Class (*b*)—This is a hard-pressed class of ryots who find their position one of increasing difficulty. They are yet free from debt—struggling hard to hold their heads above water—and deserve every consideration in a season of distress like this. Under the present orders of Government, however, they will be taken as well-to-do, and will be called upon to pay their assessments, which they can only do *by borrowing*—and as is inevitable in such times—*borrowing on hard terms*.

Class (*c*, *i*)—Those ryots will also, I think, be held as well-to-do and required to pay. Like class (*b*) they are, however, deserving of every sympathy in their struggles. They have still some personal credit, and can borrow on simple bonds, and their lands are not yet in the hands of the Sawkars. It must be a hard struggle with them to pull through in a time like this, and if *forced* to *borrow* for payment of their assessments, they will in all probability fall into an embarrassing condition of indebtedness from which they may not for years to come be able to recover.

It is in regard to these two classes of ryots—class *b* and class (*c*, *i*)—so deserving of the sympathy of Government particularly that we fear so much about the coercive processes employed in recovering the revenue demand—of fines imposed, distraints made, properties sold, occupancies forfeited &c., &c.

Lastly *class* (*c*, *ii*)—These cultivators are heavily in debt, and their lands are in the hands of the Sawkars for whom, virtually, they toil and moil as "predial slaves." Numbers

of them must be on the relief works. Under the present orders of Government, they will not be directly called upon to pay the Government demand ; but notices will issue on their mortgagee-Sawkars for payment on pain of forfeiture. These Sawkars on service of such notices will naturally hasten to pay up the demand rather than lose their mortgagee rights. But their payments, it must not be forgotten, will be *strictly* on behalf of their mortgagor debtors, and as you pointed out a few days ago, every pie they so pay will be so much added to the latter's debts. Practically, this is *borrowing*, pure and simple, for payment of assessments—however the transaction may strike us as novel. In this case, the ryots do not go to the Sawkars for loans for the purpose, but Government virtually negotiates and accepts such loans on their behalf—albeit without their concurrence or even knowledge—from these mortgagee-Sawkars in satisfaction of their liabilities to the State. This is a novel method forced on these indebted ryots of class (*c*, *ii*) of *borrowing* for payment of revenue in a famine year.

It is, thus, in the case of these classes of ryots—cultivating tenants (=20 per cent) and land occupants of classes *b* and *c* (*i* and *ii*)—(=50 per cent) or in all forming about 70 per cent of our total agricultural population—that the present orders of Government are open to the objection that they directly contravene the cardinal principle that no one in such season should be forced to borrow to pay the land revenue, and are otherwise opposed to the liberal intention of Government themselves.

With such instructions, the task of the District Officers will be recognised as being by no means easy, and if we hear such loud complaints of undue pressure or coercion employed in the recovery of the State demand, in so many parts of the famine areas, the root of the trouble does not lie, as you seem to think, in the local officers' disregard of Government orders, but in the nature of those orders themselves, and unless these are so amended or modified as to admit of relief—in some measure, at all events—being allowed by them to the bulk of our poorer ryots—it is futile to expect any improvement in the situation in this regard.

This is, however only one aspect of the question. These orders of Government in regard to land revenue collection are open to objection on other grounds as well. But this letter is already long, and I would here close, reserving for another occasion a further discussion of the point, and appealing to your kind indulgence for space, I am, &c.

REVENUE COLLECTIONS IN THE FAMINE DISTRICTS.*

II.

The monsoon has at length returned to the hard-stricken land to relieve the tension of the situation and gladden the hearts of millions. Most of the famine sufferers will now be going back from the relief camps to their village homes and fields, and assisted with subsistence advances and a free distribution of the dole to their dependents, will be fairly able to resume their agricultural operations. There is, however, an upper stratum of distress—little touched by direct measures of State relief—which is represented by the bulk of our poorer ryots—who have never thrown themselves on the charity of the State, but have been manfully struggling to bear up against their misfortunes, and are entitled to every sympathy. *Takavi* advances, which are being so freely given, will no doubt go some way towards mitigating their hardships; but something more is needed to put heart and hope into them and give them a fresh start—after a trial of such severity, and that is, as you have so often urged, a broad and large-minded policy of land revenue suspensions and remissions. And we may be sure, nothing will redound more to the honour of Lord Northcote's Government than such a measure of relief to the hard-pressed ryots of the Presidency, based on a generous appreciation of their difficulties.

In a former letter I ventured to call attention to the existing orders of Government in regard to the collection of land revenue in the Famine districts. As will have been gathered, these orders—intended when first issued in the last famine, to meet a special emergency of a political character, and defeat a widespread "no-payment-of-land-revenue" combination, and which were found effective for the purpose—are, however, altogether out of place to a normal scheme of relief. They are, firstly, utterly inconsistent with the broad principle laid down by the Famine Commission and the oft-repeated pledge of Government in accordance with the principle, *viz.*, that "no one should be forced to borrow in order to pay the assessment" in a season of such distress. And indeed, as a matter of fact, large numbers of these poorer classes of ryots—including both land occupants and cultivating tenants—are at present borrowing, directly or indirectly, to meet their liabilities to the State.

* This letter appeared over the signature 'J.' in the *Times of India* dated 7th August 1900.

Secondly, the present instructions of Government in the matter of land revenue collection are open to objection on the ground that they recognise no crop-failure—no matter what its extent or nature,—as any ground *per se* for granting exemption, but order the levy of the assessment from all classes of cultivators—whether the land yields them anything or not—except in extreme cases. *Absolute want of means* is alone accepted—*irrespective of the outturn of the soil*—as giving the ryot a claim to relief. "Government are unable," says the Government Resolution of April 7th, 1900, "to accept the view that nobody who has lost his crop should be pressed to pay his land revenue in the current year. Whether the assessment is a tax or rent, it is a public due, which a man of means is under as strong an obligation to pay punctually as he is to discharge a private debt." Such unqualified insistence on payment of land revenue—even in a year of such disastrous crop-failure,—as a matter of almost religious duty, however it may be in strict accordance with the abstract theory of public taxation, is nevertheless opposed—(*a*) To the recommendation of the Famine Commission of 1880, who write (in paragraph 136, volume I, of their report):—"The duties devolving on Government in relation to the class of landholders are for the most part of a different character from those that attach to it in its relation to the landless classes. . . . . Those who possess beneficial interests in the land do not in times of famine as a rule suffer the extremity of want, or go in danger of their lives, but a large number of them are often severely pinched or obliged to borrow money for their support, and those who borrow at such a time do it on terms which make repayment difficult and may embarrass them for life. It becomes therefore the part of Government to assist such persons—who are in the position of tenants or co-proprietors of the land"—by suspending the collection of the ordinary instalments of land revenue, the payment of which must add to the difficulties of all who are hard-pressed, and suggest, "when information is received from the Agricultural Department that the failure of the main crop or one of the main crops of the year has been so great that no surplus produce is left to the landowners above their own necessary consumption and that of their dependents, instructions should be issued to the Collectors" to suspend the levy of land revenue "on account of the crop which has been lost."

(*b*) To the opinion of the Lyall Famine Commission, who point out in paragraph 539 of their report that "the duty and policy of making such remission to the landholders in years of

absolute and abnormal failure of crop from any cause is an old obligation on the State, based on its original title to take land revenue."

(*c*) To the prescriptions of the Famine Relief Code, which authorizes (Sections 137-140) the Collector to suspend the collection of instalments of land revenue in the case of an abnormal failure of the harvest, causing total or almost total destruction of the crops over a considerable area, "and with the sanction of Government to remit those suspended arrears after individual enquiry into each case."

(*d*) Moreover, to the former practice of the Presidency. In the famine of 1876-77, Government in its Resolution No. 6557 of November 15, 1876, directed that "where, as is the case in the large number of villages in the Sinnar Taluka, there has been what practically amounts to an entire failure of crops, the revenue is to be wholly remitted"; and laid down as a general principle that "broadly speaking where the loss has been eight annas, no remission should be granted, where it is more than eight and less than twelve, one instalment should be remitted, and where it is more than twelve, then the whole may be remitted as the Collector and his assistants think proper."

Thirdly, again, the present instructions are open to objection on the ground that they involve an examination into individual cases before such relief is allowed, and necessitate, in consequence, reliance to an unsafe extent on the judgment of the subordinate village official with whom the final decision must practically rest—however subject to checks by superior officers—as to whether a land-occupant has the means of paying the assessment or not.

The Famine Commission of 1880 deprecate any such individual inquiry, mainly for the reason that when the work is entrusted to inferior officials, as it must needs be in the case, "it could hardly fail to lead to serious malpractices," and recommend that the measure of relief in this respect, as decided on, should be of general applicability, pointing out "that by making the degree of relaxation uniform over considerable tracts of country according to some uniform and clearly ascertained rule, the evils of personal favoritism and official corruption and oppression would be to a great extent obviated" (*vide* Report, volume, II, chap. III, paragraphs 5 and 8 of Section 3).

Fourthly and lastly, there is the further objection to the present instructions that relief of the kind under them is strictly confind to suspensions of the levy of the assessments, no remission being permitted except here and there, and in "extreme cases in which the Divisional Commissioner is satisfied that there is no chance of an occupant being able for several years to come to pay what is due without borrowing." (G. R. of April 7, 1900.) Fifty per cent of the land revenue in these famine districts has already been collected, and some 20 to 30 per cent more is in course of collection, so that the final suspension will not be more than 20 to 30 per cent, at the outset, of the total demand—and with practically no remissions.

This is the whole extent of relief of the sort—20 to 30 per cent suspensions—Government seems at present disposed to allow to the hard-pressed ryots of these famine-stricken parts, and that, too, in a year in which the loss of crops and cattle has been unprecedentedly disastrous. The outturn of the soil is not expected even to come up to nine per cent of a normal yield.

A more liberal policy of relief was followed in the famine of 1876-77 in this Presidency, as well as in the N. W. and Central Provinces in the famine of 1896-97. In the famine of 1876-77 the crop-yield was about 32 per cent of a normal average, ranging from 62·3 per cent in Satara to 3·6 in Sholapur, and the suspensions of land revenue in the affected districts amounted to 29·2 lakhs, and the remissions to 3·1 lakhs on a total demand of 141 lakhs. The local Government contemplated a far larger measure of relief—particularly in the shape of remissions—but Lord Lytton's Government, concurring in the suggestions of Sir R. Temple, their Famine Delegate, unfortunately interposed its veto. In the last famine in the N. W. Provinces, where the yield of the *kharif* or autumn crop was 39·25 per cent, and of the *rabi* or spring crop, 66·75 per cent of a normal average, the suspensions aggregated 147½ lakhs on a total demand of 530 lakhs or 28 per cent and of this suspended revenue, 60 lakhs were ultimately, with the sanction of the Government of India, remitted, or 11 per cent (*vide* N. W. Provinces Famine Report, p. 27). In the Central Provinces the outturn of crops was about 39 per cent of a full yield and 46 per cent of an average (*vide* Central Provinces Famine Report, p. 42), varying from 70 per cent in Sambalpore to 17 per cent in Balaghat, and of the total current and arrear demand of 94·8 lakhs, 56·3 lakhs were collected, leaving an uncollected balance of 38·4 lakhs, or 41 per cent and out of

this suspended arrear, full 20·7 lakhs or nearly 60 per cent were remitted (*vide* Material and Moral Progress Report for 1897-8, p. 100). In this famine, the policy of the Central Provinces Administration is understood to be even more liberal. Mr. Fraser, the large-hearted Chief Commissioner, who is at present piloting these Provinces through a crisis of unparalleled severity with such skill and ability, is believed to have in contemplation remitting more than one-half of the current year's demand. And in granting these remissions, no distinction, it is said, will be made as between those who are able to pay, and those who are not, without borrowing; but crop failure will be taken as the only standard by which to apportion the measure of relief in all cases,—only remissions on the Malguzars' estates will be made strictly conditional on their extending like relief to their tenants.

On our side, this year, though our loss of crops and cattle is much more disastrous than anywhere else, or at any time previous, the policy of the local Government is rather one of extremely restricted relief—*viz.*, only to suspend the collection of land revenue, and that, too, in cases where it could not be collected without undue pressure, and suspension of the levy is absolutely necessary—the suspended arrears to stand over till the return of better seasons,—and to remit it in none but extreme cases. This policy, as you once suggested, is no doubt in a sense imposed upon it by the principles of its land revenue system, which does not favour remissions of assessments even in years of drought. The working theory of the system is that the land assessments are so light and moderate, and are based on so liberal a consideration of seasonal variations and vicissitudes, that they scarcely render necessary any large relaxation in the enforcement of the State demand—no matter how serious the crop-failure; and the view is strongly held that, as a result of this liberal policy of land revenue administration, the Bombay ryot is so prosperous, and has always such an abundance of means that he is able in good years to lay up—that he is well able, even in circumstances of abnormal harvest failure,—generally speaking to meet all his liabilities, and that all that may be necessary in hard cases is a postponement, at the most, of the levy of the demand.

This roseate view, however, of the royt's position has unfortunately little to rest on, and is in fact one of those fondly-cherished illusions of the Bombay Land Revenue Administration which fact and argument alike are powerless to dispel. All available indications would seem to point to the disquieting con-

clusion that under the Land Settlements at present in force, his condition is going from bad to worse and his resources are continually failing. Not to go beyond the four Deccan districts under the Relief Act, we find that a larger and larger breadth of occupied land is here year by year passing from the hands of the ryots into those of the Sawkars—by mortgage or sale. The The mortgage figures for the three years 1896-7-8-9 are as under :—

Years.	Mortgages with possession	Mortgages without possession.	Total No. of Land Mortgages.
1896-7 ...	26,916	24,943	51,859
1897-8 ...	33,137	34,045	67,182
1898-9 ...	24,258	18,514	42,772
Total	84,311	77,502	161,813

(*Vide* Table A given in the Registration Annual Report for 1897-98 and 1898-99.)

The total number of holdings, both Government and alienated, in these districts is 263,637 ; and assuming that the mortgage period is usually three years, it would appear that full 61 per cent of the total number of holdings are at this moment in the hands of the Sawkars. The sales of land during these three years were 51,918, or about 20 per cent.

Year.	No. of sales.
1896-7	16,385
1897-8	19,645
1898-9	15,888
Total	51,918

so that the two classes of transactions taken together reveal what will be recognised as a most distressing feature of the situation *viz.*, that over 80 per cent of the total number of holdings in those four districts has passed during these years by mortgage or sale into the hands of the money-lenders from

those of the cultivating ryots, who, as a consequence of such transfer, sink down more or less to a status little removed from that of predial slaves—a state of things, be it remembered, reached after 20 years' working of a special legislative measure intended for the relief of the agriculturists.

Even official optimism will not claim such a position of things as any evidence of the growing prosperity of the ryot in these Deccan districts; and matters are not much better in other parts. And would it be too much to hope that Government will not allow any such view of his condition and resources —which is so utterly at variance with the facts—to influence and colour its action in this respect and interfere with the adoption of a large and beneficent measure of relief such as alone would meet the needs of the time and do a great deal effectually to help him out of his difficulties?

But it is further urged in defence of Government's present policy of restricting relief in this direction within such narrow limits, that it has the high sanction of the Famine Commission of 1880 (*vide* Lord Northcote's Poona speech). It is no doubt true that the Famine Commission did recommend in 1880 such a cautious line of action in the matter, pointing out that "it is not expedient to remit any part of the land revenue till it becomes certain that it cannot be collected without undue pressure on the persons liable for it. The demand suspended should stand over in the expectation of an early return of prosperity," &c., &c., (Rep., Vol. I, paragraph 169). But it has to be borne in mind that when the Strachey Commission reported in 1880—*i.e.*, some twenty years ago—they had no condition of things to deal with so grave and so alarming as that which confronts us to-day. A year of unprecedentedly calamitous loss of crops and cattle, following on a long series of more or less unfavourable seasons, and that, too, coming upon a peasantry hard-pressed and struggling in the best of times—this constitutes a position of exceptional difficulty in which such restricted relief, as Government at present has in view, can assuredly be no adequate alleviation of the ryot's misfortunes. As you have more than once urged with such unanswerable force *large and liberal remissions*—not mere suspensions—*of land revenue*, and they, too, based on general considerations and applied to large areas over which uniform conditions prevail, instead of to individual holdings and apportioned to the extent of crop failure—this is the most pressing requirement of the hour; and Lord Northcote's Government may once more be appealed to give a generous consideration to the ryot's present diffi-

culties, and help him in the hour of his sore need. A rigorous levy of the State demand on the land at a time like this must grievously add to his already heavy embarrassments, from which he might find it a hard struggle to extricate himself for years to come. Referring to this aspect of the question, the Lyall Commission observe (*vide* paragraph 539 of their Report):—"We take this opportunity of remarking that any want of proper liberality in granting these remissions in time of great loss of crops and cattle would in our opinion be inconsistent with the present policy of readiness to make great changes of laws and regulations in the hope of saving the agricultural classes from indebtedness"; and adds "this seems plain, but with a strongly departmental system of Government such an inconsistency is not impossible. Each department is apt to find reasons for its own hard and fast rules, though it is apt to cry against the rigidity of those of other departments."

A large and generous measure of relief in this direction will, on the other hand, naturally help the hard-pressed ryots in tiding over the time of sore trial and keep clear of ruinous borrowing. And, I trust, you will once more repeat your appeal to the authorities on his behalf. It may not be out of place to point out that a liberal policy of land revenue remissions in a year of distress like this—whatever sacrifice of revenue it might entail—would eventually recoup the State for such present sacrifice a hundred-fold and besides can involve no injustice whatever, as is sometimes supposed, to the "general tax-payer." Eighty-six per cent and more of our population is agricultural, and the ryot is the sheet-anchor not to be forgotten in the connection that it is he—and not the *income-tax paying merchant*—who bears Atlas-like on his broad shoulders the main weight of public burdens. But when he totters under the heavy load—as he does at a time like this,—it becomes the sacred duty of the State to help him and seek by every means in its power to ameliorate his lot.

Government apparently are of opinion, however, relying on the much-misread experience of the last famine, that any such large remissions as are suggested are scarcely necessary, and will involve an unjustifiable throwing away of public revenues. If no such remissions were needed in 1896-7—practically the land revenue for the year almost to the last rupee having come in with marvellous ease—none will be needed for this year either. This is, however, a debateable point, and I would, with your permission, reserve it for another occasion.

REVENUE COLLECTIONS AFTER THE FAMINE.*

The "further instructions" which Government have recently issued in regard to the levy of land assessments, and which you noticed some time ago in a brief editorial, serve to open up afresh the whole subject of land revenue collections in the famine districts, and, as constituting the latest enunciation of policy on the *vexata quæstio*, deserve the closest consideration. These fresh instructions are by way of supplement to those contained in Government Resolution No. 236 of January 16, 1900, and subsequent circulars; and unfortunately, though the latest, seem conceived in even a less liberal spirit. At all events, they can scarcely be said to be such as are calculated to inspire trust and hope in the mind of the distressed ryot—just now struggling to emerge from the fearful ordeal of a season, the most calamitous on record. In vain do we look in them for any relaxation of the severity with which the revenue demand is being enforced, or, indeed, for any indication of the adoption of a more generous policy of land revenue collections and remissions for which no one has pleaded with more earnestness and cogency of reasoning than yourself on his behalf. As it is, they not only mark no improvement in things as they are, except in respect of administrative procedure, and make no concession in the direction of a more sympathetic consideration of his difficulties, but, on the contrary, tend appreciably to increase the stringency of land revenue collection, narrow down the scope of State relief contemplated in that regard, and lay down a *modus operandi* which is open to grave objection. But what is worse, these "further instructions," viewed as a whole, seem to betray, on the part of the authorities, a strange lack of sympathy with suffering and distress, and furnish a melancholy illustration of the cast-iron rigidity of a land revenue system, which—whatever its theoretic excellence as a fiscal system—involves and necessitates the enforcement of the State demand upon the land, even in a year following a disastrous famine of unparalleled severity, with such unrelenting rigour. It is really disappointing to observe how Government is doing itself a serious injustice by the promulgation of orders, seemingly

* This letter appeared over the signature 'J.' in the *Times of India* dated 8th October 1900.

framed under an extreme view of State land-lordism and its rights, but which, we all know, are so little in harmony with its generous intentions.

The official Revenue year, 1899-1900, ended with the end of July last, leaving a large balance of land revenue in the famine districts as an out-standing arrear. The revenue for collection in these zillas was 210·49 lakhs, inclusive of previous arrears. The realizations up to the 31st July were 120·84 lakhs, or only 57·6 per cent of the aggregate demand; and the balance for future levy stands at 89·6 lakhs—thus distributed:—

[in lakhs of Rupees.]

Districts.	Revenue for Collection including previous arrears in 1899-1900.	Total Revenue Collected in 1899-1900.	Outstanding balance for future levy.
Deccan Districts—			
Nasik	15·63	13·06	2·57
Sholapur	11·84	9·34	2·50
Khandesh	41·40	29·29	12·11
Satara	20·21	14·06	6·15
Poona	14·38	7·40	6·98
Nagar	17·36	6·93	10·43
Total for Deccan Districts.	120·82	80·08	40·74
Gujerat Districts—			
Surat	23·88	23·53	·35
Kaira	21·65	8·79	12·86
Panch Mahals... ...	3·36	1·17	2·19
Ahmedabad	16·28	3·26	13·02
Broach...	24·50	4·01	20·49
Total for Gujerat Districts.	89·67	40·76	48·91
Grand total for the 11 Famine Districts ...	210·49	120·84	89·65

Never before had there been such heavy arrears of land revenue. In the famine of 1876-7, the demand in the affected districts was 140·9 lakhs, of which 109·7 were collected, and the arrears were 32·2 lakhs, or about 22·6 per cent. In 1896-7 the aggregate revenue for collection was 173·1 lakhs, and the collections were full 162·3 leaving just 10·7 lakhs as an outstanding balance, or a trifle over 6 per cent. In this famine the realizations in the affected zillas come up to 120·8 lakhs, or about 57 per cent of the aggregate demand of 210·5 lakhs. The Government instructions to the district officers in the matter were substantially the same as those issued in the famine of 1896-7, and which were in that year found completely effective for the purpose ; and a full collection, in spite of the prevailing distress, was confidently anticipated. But the final result falls far short of the anticipation, and large arrears remain for recovery in the course of the current year.

Taking the actual collections, we find the revenue realized compares, district by district, with extent of food-crop failure as under :—

	1899-1900.	
Districts.	Percentage of actual crop outturn to normal average.	Percentage of revenue collection to total demand.
Deccan Districts—		
Nasik	19·4	83·5
Sholapur	9·2	79·3
Khandesh	3·1	70·8
Satara	Not available.	69·6
Poona	14·2	51·4
Nagar	13·5	40
Total for Deccan Districts	11·4	66·7
Gujerat Districts—		
Surat	6·2	99
Kaira	5·6	40·7
Panch-Mahals	·9	34·7
Ahmedabad	5·1	20
Broach	1·2	16·3
Total for Gujerat Districts...	4·4	46
Grand total for the 11 Famine Districts. ...	...	57·6

These figures seem to reveal strange divergence as between one district and another in respect of the revenue collected, as compared with extent of food-crop failure. In Surat, for instance, where the crop failure was over 93 per cent of a normal average, the collection is well within a few thousands of the full demand, while in Nagar, though the crop failure was not so heavy, only forty per cent could be realized; so, again, in Sholapur, the outturn of food-grain crops was only 92 per cent of a normal average, and yet the revenue collection was nearly 80 per cent, while in Poona, though the yield of the crops was a good deal better, the revenue realized was only 51 per cent.

Taking the two groups of famine districts the contrast between Gujerat and the Deccan is still more striking.

In the poor Deccan districts the toiling Kunbi—hard-hit and pressed as he has been by two successive famines of such unprecedented magnitude during the past four years—loyally and uncomplainingly pays up two-thirds of his total assessment. Nasik—which is one of our most distressed zillas, and where three-fourths of the land is believed to be in the hands of the Sawkars under mortgage or purchase—tops the list, having paid up more than 83 per cent of the demand; Sholapur—the poorest of our districts, and where the ryot is by all accounts at the end of his resources—comes next, with realisations amounting to 80 per cent; Khandesh and Satara follow close, with about 70 per cent; Poona has paid up more than half; while Nagar—as being the centre of maximum intensity of distress during the famine—shows the lowest percentage, namely, 10 per cent.

Turning to rich Gujerat—a province which had never before known such a famine for half-a-century—we are surprised to find that, Surat excepted, in no district does the collection come up to over half of the normal average. Kaira—the fairest district in the Province—pays just a trifle over 10 per cent and Ahmedabad has a bare 20 per cent; while Broach—the rich cotton district of Gujerat—yields but 16 per cent and that, too, with much difficulty. In the Panch Mahals alone the collection is, on the whole, fair, considering the backwardness of the district. The total realized revenue for the Province is 46 per cent.

The disparity as between the two Divisions in respect of land revenue collection during the last year is remarkable, but—paradoxical as it may seem—is totally devoid of economic

significance. For, as things are, it supplies no indication whatever as to the comparative condition and resources of the agricultural classes in the two groups of districts; however it may serve—from the point of view of fiscal administration—to illustrate the relative efficiency of the revenue-collecting organisation and its working. It would be an error, for instance, to infer—as we should otherwise be inclined to do—that the Nasik Kunbi who pays fully four-fifths of his assessment even in a trying year like this is any better off than his brother of Ahmedabad who is able to pay but a bare 20 per cent; and so, too, *vice versa*, would it be wrong to suppose that the Broach cultivator, who pays no more than some 16 per cent, and that, too, with the greatest difficulty is any worse off than his compeer of Sholapur, who unmurmuringly pays as much as 80 per cent. For, in neither Division, does the bulk of the revenue collected—as we have it on the authority of the Hon. Mr. Monteath—come from the ryot direct. His lot is always a hard one—wherever cast, whether in the rich alluvial plains of Gujerat or on the bare rolling uplands of the Deccan; he is much too poor and embarrassed to stand alone, and even in the best of seasons it is a struggle with him to pay up his assessment, and maintain himself and his family year in and year out, without now and again having recourse to the help of the money-lender for food or seed, cattle or manure, or, may be, for a wedding or a funeral. And it is the money-lender who has come to his rescue in all these districts in this season of distress—as he usually does—and paid up for him, in the majority of cases, the greater part of his assessment. Referring to these land revenue collections in the famine parts, the Hon'ble Mr. Monteath thus remarked in the course of his Budget speech at the recent Poona meeting of the Legislative Council:—"I have no doubt that in the Deccan Districts, the recovery of a large share of the revenue is easy, because much of the land is really in the hands of money-lenders or other capitalists who are much afraid of losing any part of what they hold, whether they are registered as occupants or not;" or, in other words, so extensive is the agricultural indebtedness that prevails in these zillas that the greater part of the year's demand is usually paid by the mortgagee-sawkars, and therefore comes in so easily even in a famine year. Passing on to Gujerat where, it is believed, there is an equal or even a greater extent of agricultural indebtedness, the Revenue Member of Council observed:—"I understand that in many parts of Gujerat the cultivators are as deeply in debt as in the Deccan or even more so. It has been said that most of the

Kali-paraj people are mere slaves of the Sawkars, and I have heard it said that in some parts of Broach as many as 80 per cent of the cultivators are deeply in debt." And accordingly, much of the revenue realized in these Gujerat districts has been collected, as in the Deccan, from the Sawkars. In Surat, for instance, the Collector states:—"In the revised estimate of land revenue. . . . . I estimated that Rs. 40,000 would be uncollected. As a fact, Rs. 36,000 only remains to be collected. Of the revenue collected more than one-half has been collected from non-agriculturists directly interested as mortgagees or otherwise in lands." So again, in parts of Broach, the entire revenue has been collected from the mortgagee-money-lenders and "not one anna from a genuine cultivator" (*vide* your Special Correspondent's Broach letter of Sept. 12).

The collections in these Gujerat zillas would have been a good deal better but for the operation of three causes: (1) "organised opposition to the levy of assessment from people well able to pay it" (*vide* Government Resolution on "Gujerati's" letters); (2) a determination, in several parts, on the part of the ryots—at the instigation of their Sawkars—not to disclose the true position of their affairs; and (3) combinations among the Sawkars to evade payment.

Nor are these illicit combinations and organised efforts to withhold the payment of State dues confined to the Gujerat districts. The Collectors' reports on the subject point to their existence, though on a smaller scale, in several Deccan districts, too—notably in Khandesh and Nasik. The result is that taking these districts—Deccan and Gujerat together—the total revenue collected last year falls far short of the level reached—and so easily—in the famine of 1896-97, leaving as much as nearly ninety lakhs as an outstanding balance for future recovery or over 42 per cent of the year's demand, as against 6 per cent in 1896-97. Certainly, such a result cannot be held, in the opinion of Government, to be satisfactory—particularly when it is considered that the short levy is due not so much to the paralysing effects of famine as to illegal combinations and organized efforts to evade payment on the part of people bound and perfectly well able to pay. "For Government," observed the late Mr. Nugent in the Financial Statement, "to connive at immoral endeavours of this kind to escape the payment of what is justly due to the State, would be.....a neglect of a primary duty of administration."

Clearly, the instructions contained in the Government Resolution of January last in the matter of land revenue collection are insufficient for the purpose, and hence the necessity for these "further" orders Government has deemed fit recently to issue. The object is to defeat these illicit combinations, and ensure during the current financial year not only the stringent enforcement of the year's demand, but a full recovery as well of the large out-standing arrears of last year with all the rigour the law permits.

Land revenue is here the sheet-anchor of finance, and Government is not prepared to abate or forego any portion of its just demand even in a famine year. The State, as universal landlord, is entitled to levy a full rental from all those who hold land under it, or are otherwise interested in it, and share the profits there-from accruing; and it makes little or no difference to it whether the rental comes from the tillers of the soil or, in their default, their Sawkars. If the ryots can and do pay, well and good; if not, their Sawkars who monopolize the profits of tillage ought, and if they could and yet would not, the law is strong enough to make them pay.

It is no doubt a most undersirable condition of things—one fraught with the gravest social and economic results—when the ryots—all or most of them—are in such hopeless poverty that they cannot pay their dues to the State without the Sawkar's aid; but considerations such as these belong to another sphere of State policy, and ought not to modify, or otherwise influence, the operations of the Revenue Department of the General Administration.

Nor again, apparently, in the opinion of Government, does it matter much to the ryot himself—as things stand at present—whether he pays his assessment or his Sawkar. When he pays from his own resources, he has, of course, no reason to complain. But, as a matter of fact in the majority of cases, he is not able so to pay. All the Presidency over, as a result of his own hopeless improvidence, he is so poor, and so deeply involved in debt, and his lands are so heavily encumbered that even when the Sawkar pays his assessment for him—to save the holding from forfeiture—and adds up the amount paid to the existing mortgage-debt, as he is entitled to do under Section 72 of the Transfer of Property Act of 1882, it will, no doubt, increase his indebtedness, but no such addition will make his lot any the worse—such is the con-

dition of hopeless embarrassment in which he is already. Head and ears in debt, he has reduced himself—in most cases by his unthriftiness and improvidence—to the position,—in the words of the Hon'ble Mr. Monteath—of a "*rack-rented tenant—almost a serf*," working for his Sawkar, and gets, even in good years, *little more than a bare subsistence.*

Under such circumstances, Government doubts if any remissions of revenue could reach the unfortunate ryot. The Sawkar is there ever on the alert to intercept the benefit not intended for him, and to which he has no moral title. Besides, a policy of remissions in bad years does not well fit in with the essential principles of the Bombay land revenue system under which the assessments are so light that, properly speaking, the ryot ought to need no such leniency on the part of the State even in bad years. And if he finds himself hard-pressed in a season like this, it is his own fault, and Government cannot help him.

This is the general view—or line of view—on which the present instructions of Government in respect of land revenue collection seem to be based. How far such an estimate of the ryot's position is in agreement with the facts, is a matter on which opinions will probably differ; but that some such estimate it is that underlies, runs through, and colours these fresh orders, hardly appears open to doubt.

Accordingly, instead of proposing, as was sanguinely expected in some quarters, to grant any large remissions on account of famine losses, or abate the current year demand in consideration of the agricultural deterioration that has taken place in recent years,—neither measure of relief being likely to benefit the ryot under the present circumstances,—Government directs in these "further" orders a stringent levy during the current year, not only of the year's demand, but also of heavy arrears of the past year, allowing remissions and suspensions only in extreme cases. These orders may be thus summarized:—

Now, first of all, that the new financial year has opened, the work of recovering past arrears of land revenue should begin at once in all these famine districts under Sections 150, 151, and 152 of the Land Revenue Code, and in accordance with the orders already issued, *i.e.*, those contained in the Government Resolution of January last and subsequent circulars; and there should be no further delay in rigorously enforcing the provisions

of the law against defaulters "about whose possession of means to pay there is no doubt"—including, of course, superior holders and mortgagee-sawkars in possession. As regards others who are not well-to-do, they should, in no way for the present, be "pressed"—*i. e.*, while the farming operations are still in progress.

As soon, however, as the crops are ripe, the work of general collection may be taken in hand.

Well-to-do ryots, superior holders and mortgagee-sawkars in possession will, of course, pay up their dues at such times and in such instalments as are fixed under the Land Revenue Code (Sections 139 and 146). As regards others, the work must begin earlier, the year being an exceptional year. Wherever necessary or expedient, precautionary measures authorized in Sections 140 and 141 of the Code should be taken. These refer to standing crops.

Such precautions are usually taken when there is reason to apprehend an extensive default through previous disposal of standing crops. Under Section 140 of the Land Revenue Code, when a crop is mortgaged or sold or otherwise disposed of, the Collector can assert the priority of Government claims as per Section 137 and prevent its removal until the revenue is paid. Section 141 is of wider scope, and empowers the Collector in any case in which he deems such precaution necessary, to forbid the reaping or removal of it until the ryot pays his assessment, by placing watchmen over it, if required. Here it may be noted that the present instructions modify the stringency of the law by adding a provision that Government's lien on the crop should be enforced only "where the crop is good and leaves, after discharge of the Government dues, a balance sufficient for the maintenance until another harvest, of the cultivator and those dependent on him."

When the crops are reaped, the recovery of both the year's demand and past arrears, should commence; and in regard to past arrears, it should be considered "whether the outturn is, or is not, such as will enable the occupant without borrowing to pay" them in whole or in part. Generally speaking,

(1) when a ryot gets a good crop "on a considerable area of land", he will, of course, be able to pay up all his dues;

(2) when the holding is smaller, and the ryot is poor, the year's demand *plus* only part of arrears should be recovered; the balance being left for future levy;

(3) when the holding is still smaller, and the crop poor, and the outturn is not such as "will leave any balance after discharging the year's assessment and supplying the means" of the ryot's subsistence until another harvest, the year's assessment only should be collected, and a release from past arrears granted;

(4) when the land is left uncultivated through the cultivator's want of means, the arrears should be remitted, and the current year's demand suspended until another harvest.

Such briefly are these "further instructions" Government has recently issued in the matter of land revenue collection during the current year. They may be considered under a double aspect—(1), as to the nature and extent of relief authorized in the direction of remissions and suspensions; and (2) in respect of the *modus operandi* laid down.

First (1) *regards relief*—it will be noticed, (*a*) that there is going to be *absolutely* no abatement of the current year's demand in any case and under any circumstances and that—crop or no crop—land sown or land unsown—cattle alive or cattle dead—the land occupant will be responsible for the demand;

(*b*) that relief in the shape of suspension of the year's demand or remission of past arrears is restricted within the narrowest limits—almost bordering on the irreducible minimum;

(*c*) that the grant of such relief is made entirely dependent on the kind of harvest that there is going to be, and that no regard whatsoever is to be had in this connection to past famine losses; and

(*d*) that the net result of the year's collections may be estimated to be, that *a bare subsistence until another harvest* is all that is likely to be left under the operation of these orders to the bulk of the ryots, and *no more* if even that much at all. Just to be able to gauge the practical working of these instructions, we may take the different classes of ryots, and examine how each will be affected by them. The agriculturists may be classed as under in a rough way:—

A.—OCCUPANTS HOLDING DIRECTLY UNDER GOVERNMENT.

(*a*) Well-to-do, or fairly so, numbering about 25 p. c. of total number of ryots.

(*b*) Not well-to-do, more or less in debt, but retaining possession of their holding ... 25 p. c.

B.—OCCUPANTS NOT HOLDING DIRECTLY UNDER GOVERNMENT.

(*a*)	Tenants of superior holders.....	20 p. c.
(*b*)	Those whose lands are mortgaged with possession to the Sawkars, but who are still in occupation of their acres as their tenants by their permission and sufferance under Section 33 of the Land Revenue Code	30 p. c.

Of these, occupants of class A (*a*) holding directly under Government and fairly well-off will be expected, even after the dreadful losses of the past year, to meet their liabilities without much difficulty. They never ask for relief, and no relief is ever granted to them. They number about 25 per cent of the total body of ryots.

As regards the remaining 75 per cent of ryots, relief under the new orders is strictly confined to occupants of class A(*b*). They hold directly under Government, and form another 25 per cent of the total body. They are poor, and more or less embarrassed, though not hopelessly, and relief will be dealt out to them on some such lines as these:—(1) Those of the class A(*b*) who get good crops on fairly large holdings—and their holdings are in most cases medium-sized, ranging from 15 to 40 or 50 acres—will have no relief in any shape, and Government hold that they should be able to pay up all their claims without difficulty—and possibly Government is right. But we have to remember that these poor, struggling agriculturists will have, besides Government assessment and arrears, also to pay interest to their Sawkar on their existing debts or means, instalments of Tagai and subsistence advances they have received from Government, as they fall due; and we may not be far out in our calculation if we take it that what they will have probably left to them after all these payments will be little more than a *bare subsistence* until another harvest.

(2) In the case of those whose holdings are smaller and who obtain inferior crops—the outturn being just enough to leave them a small surplus after payment of the year's assessment, over and above a year's subsistence—the whole of that surplus will be swept off into the Government Treasury in *part payment* of arrears; and the remaining part will be held

over for future levy. Thus, the only measure of relief they get is *suspension of part of their arrears* until another harvest, and no other. These ryots will have nothing besides a *year's subsistence*, with which to pay their Sawkar or tagai and other instalments, and these consequently will remain hanging over their heads a burden for future years.

(3) Those whose holdings are small, and have poor crop —the yield being just enough, after payment of the year's assessment, for their subsistence until another harvest—will be required to pay only the current year's assessment, and will have a full release granted to them from past arrears. These lucky few thus no doubt get a large measure of relief, but still will have no-where withal left to meet their other liabilities.

(4) Lastly, those who have not been able to cultivate their fields through want of means, and have, therefore, no crop, will have all their arrears remitted, and only the current year's demand will be held over for future levy.

Taking all these sub-divisions of class A(*b*) of occupants, we see relief will be given under these instructions :—

To sub-division 2, in the shape of suspension of past arrears.
Do. do. 3, full remission of arrears.
Do. do. 4, remission of arrears + suspension of current year's demand.

But these will have only a *bare subsistence* left to them until another harvest. They cannot be more than 10 to 15 per cent at the outside of the total number, and *this marks the extreme limit of relief Government sanction in these new instructions.*

Passing on to ryots of class B (*a-b*) —those namely, not holding under Government direct—we find they are altogether kept outside the pale of relief contemplated in these new orders; and will have to bear their misfortunes and burdens as best they can—unassisted and even unpitied. The year's revenue and past arrears will be levied, in the first place, not from these inferior occupants, but from their superior holders—including mortgagee-sawkars in possession. But when these superior holders pay up these State dues on demand, they will be entitled to Government assistance under Section 86 of the Land Revenue Code in the summary levy of their rents from their tenants; and Section 86 lays down that their rents shall be recovered for them by the employment of the *same* coercive

process as well as of the *same* precautionary and other measures as are prescribed in the code for the realization of Government revenue. And be it further noted that Government will be bound to give such assistance to these superior holders and mortgagee-sawkars, *minus*, of course, all those limitations that Government has deemed fit to impose this time as a special case upon its own collection operations. As pointed out on a former occasion, the tenants of these superior holders are, under our Bombay system, entirely at their mercy and, unlike their *confreres* in North India, enjoy no recognised rights whatever —a grave defect in the land legislation of this Presidency; nor is relief to be granted to them through their superior land-holders. The coercive processes provided in the Code for the recovery of arrears include, under Section 150, forfeiture of the holding, sale of the defaulter's moveable and immoveable property, arrest and imprisonment. The rents to be levied are the rents agreed upon between the parties, under Section 83, Government reserving to itself no power whatever under the law to modify or regulate them in any way. They are often unconscionably heavy. As the Hon'ble Mr. Muir-Mackenzie stated at the recent Poona meeting of the Legislative Council," they rarely, if ever, fall below twice the assessment, and, in numerous instances, are equal to three times and higher multiples of the assessment." It is such rents as those that will be recovered this year—as, of course, in other years—and that, too, with Government assistance on the application of their superior holders under Section 86. After such a stringent collection of these rents, it may well be doubted if even a *bare subsistence* will be left to these inferior holders. Many probably will only have a few months' food, and will have to go to Bombay or Ahmedabad, there to work for their bread as labourers during the rest of the year—or until the monsoon calls them back to their homes and fields again. What makes the matter so grave is that these ryots placed in such unfortunate predicament form full 50 per cent of our total body of agriculturists.

Thus, taking both the classes—A and B—of our ryots together, it would appear that leaving out of account the 25 per cent or so who are well off, of the remaining 75 per cent who are not well-to-do, no more than 10 or 15 per cent get any relief under the new orders. The rest (60—65 per cent) will go absolutely without relief in any shape, and will have to be content with *bare subsistence*—in some cases until another har-

vest, and in other and more numerous cases, only for a few months of the year. If a ryot of this class wants to repair famine losses or replenish his farm-stock, or repair a well or a weir to his water-channel, he must go to the Sawkar for a loan or to the *Sirkar* for tagai. And if he so borrows, will the Hon. Mr. Monteath and his native colleague, the Hon. Mr. Desai, still blame him for his improvidence? It is thus that his debts begin and go on piling up under our rigid land revenue system. In view of such certain practical operations of these fresh Government orders in regard to land revenue collection, one is inclined in despair to ask—Is this the way to assist a broken, disheartened peasantry to raise itself from the slough of despond in which it at present lies struggling, and recover its normal position? The collection of Government revenue—to proceed as if there had been no famine in the land to devastate the farm-yards and desolate the homes of the poor ryots, and there had been only a widespread "immoral" combination amongst them to contumaciously withhold Government dues—is this the right way to deal with a situation of such gravity and help the recovery of the Presidency from the calamitous shock of a visitation of such unparalleled severity? Surely, a more generous policy in the matter would have been more in accordance with the needs of the time as well as with the known liberal intentions of Government themselves.

If these "further instructions" are so open to adverse comment in respect of the utterly inadequate measure of relief they propose, equally so are they in regard to the *modus operandi* they lay down. The whole work of revenue collection is to proceed on the basis of *individual inquiries*—holding by holding—by the village officials, including a thorough crop-inspection, an ascertainment of the outturn and an estimate of its sufficiency or otherwise in the case of each holding to leave the ryot—after payment of the year's assessment and past arrears—a surplus enough for the maintenance of himself and his family. The inherent difficulty of the task, not to say the practical impossibility of such crop estimates is obvious. Even the Department of Agriculture has not been able to arrive at

any such estimate for the Presidency during all these 16—17 years of its existence. But now when it is a matter of life and death to the ryot, the work is entrusted to the untrained, untrustworthy agency of the village officials. The assistance of the Circle Inspectors cannot be very effective and the control of the superior officers must, in the nature of things, be more or less nominal when the operation is to extend over an area comprising no fewer than 644,623 holdings, large and small. And yet, it is on the results of such village officials' inquiries that the whole work of collection—including grant of remission and suspension—is made in these instructions to depend. What a perilously enormous power is hereby placed in unreliable hands, and what a wide door it opens to corruption and favouritism in the matter—is simply fearful to contemplate.

It was on this very ground that the Famine Commission o 1880 so strongly condemned this method of individual inquiries. The Hon. Mr. Monteath, no doubt, vigorously defended it, the other day at Poona, as being of the very *essence* of our Bombay Ryotwari Land Revenue System; but it may be with all due deference pointed out that such was not the view of the Bombay Government up till 1880. Government Resolution No. 181 of January 15, 1867, dealing with the grant of remissions in cases of failure of crops, laid down:—"individual inquiries should, as far as possible, be avoided and measures of relief, as a rule, applied to entire villages." Government Resolutions No. 3899 of October 5, 1847, and No. 1200 of March 7, 1874, still more emphatically declared:—"The system of inquiring into individual losses occasioned by alleged failure of crops is forbidden. When a group of villages has suffered from an exceptionally bad season, an average reduction of assessment all round will be made, if necessary." The same principle was re-affirmed in Government Resolution No. 6007 of October 21, 1876. It was only in 1880 that a departure in this respect was taken and the present method of individual inquiries prescribed in Government Resolution of June 5, 1880. The method has been tried in the last two famines—with what results we all know. And it would have been better if Government had seen their

way to return to the old and more correct principle, and put the whole thing on a more automatic basis by regulating the measure of relief to be granted according to some standard of general application—and over large areas where uniform conditions prevailed.

These "further instructions" would thus appear objectionable both in respect of the extent of relief they contemplate and the method of granting it they sanction. With a noble-hearted statesman of Lord Northcote's large and generous sympathies presiding over the Government of this Presidecy, and guiding its policy at this serious conjuncture, it is indeed distressing to find that the ryot comes in for such hard treatment at the hands of the authorities, even after such a fearful trial, and that so little help and sympathy is extended to him in his manful efforts to raise himself above the disheartening wreckage of a disastrous famine. Surely, the public, I submit, have a right to address on his behalf an earnest personal appeal to His Excellency to re-consider and revise these fresh orders in respect of land revenue collection in the direction of greater liberality, and accord to him a more generous treatment in the matter in consideration of his unparalleled trials and difficulties. And knowing, as we all do, His Excellency's warm-hearted sympathies with the distressed and struggling poor, it may be confidently hoped that such an appeal will not go in vain.

THE BOMBAY REVENUE PROBLEM.*

I

I have read with much interest your leading article in a recent issue of the *Times of India* on "the Bombay Land Revenue Problem." Your forecast of the lines on which the coming amendment of the Land Revenue Code is likely to be undertaken, is probably correct. Apparently, Government does not at the present moment propose to do anything more than take up the question of assessed waste lands and forfeited holdings, and the terms on which they are to be let in future. But it is understood in well-informed circles that occasion will be taken to introduce under the amending provisions, one or two new principles of a revolutionary character into the land legislation of the Presidency. Sections 57, 60, 61, 62 and 68 of the Code (Act V of 1879) vest in the Collector wide discretionary powers in regard to the giving away of unoccupied lands and the annexing of "such conditions to the occupancy as may seem fit." But the universally prevailing type of occupancy throughout the Presidency under the existing law is the one we are all familiar with—proprietary occupancies with unrestricted rights of transfer. In the promised amendment of the Code, Government seems to intend to create and constitute in the future allotment of waste lands a new and distinctly inferior class of occupancies, on a well-defined basis, with restricted powers of alienation and on short-leases—presumably on the analogy of the Punjab plan, as carried out in the Chenab Valley under the Chenab Canal Colonization Act. A similar scheme of non-proprietary occupancies has been recently adopted under Bombay Act III of 1899, and in accordance with rules framed there-under as noticed in the *Government Gazette* of May 10, 1900, for the Jamrao Canal lands in the Hyderabad and Thar and Parker districts in Sind, and it is hoped that it will be attended with the same measure of success which has so attended the experiment in the Punjab. The distinctive feature of this Sind scheme as borrowed from the Punjab Act is "that the rights and interests vested in an occupant by or under this Act shall not be capable of being attached or sold in execution of a decree or order of any Court, or in any insolvency proceedings, nor shall they or any of them,

* This letter appeared over the signature 'J.' in the *Times of India* dated 12th March 1901.

without the previous consent in writing of the Commissioner in Sind, be transferred or charged by any sale, gift, or mortgage, or other private contract" (Bombay Act III of 1899, sec. 8); or more specifically, as laid down in the rules, "that the occupant shall not have the power or authority, without the previous consent in writing of the Commissioner in Sind had and obtained, at any time to transfer (whether permanently or temporarily) any right, title, or interest in, or to create any charge upon, the whole or any part of the said lands, whether by sale, gift, mortgage, relinquishment of possession, or otherwise in any manner whatsoever." Judging from all accounts—particularly from a recent speech of Sir Mackworth Young, the present Lieutenant-Governor of the Punjab at the Lyalpur Durbar—these Chenab Colonies in the Punjab, where the settlers do not possess "proprietary rights, but only rights of occupancy which cannot be alienated without the permission of the Chief Revenue authority of the Province," are making wonderful progress, and the Chenab Valley, with its magnificent system of perennial canals, promises to be the Punjab peasant's "Happy Valley," where the grasping, greedy usurer shall have no place in the economy of rural life, and the evil of land indebtedness shall not be suffered to strike root and grow—a "new Punjab" where peace and plenty ever shall reign and cheer the labouring Crown colonist, freed as he is from the onerous obligations of a free allodial proprietor. The Bombay Government is naturally anxious to follow in the wake of the model Frontier Province, and endeavour to create in the Presidency as it has recently done in Sind, out of its assessed waste lands, a similiar rural paradise for its distressed peasantry under a system of short-lease, non-proprietary occupancies. If such an anticipation is not altogether groundless, the coming amendment of the Land Revenue Code will be awaited with anxious and expectant interest, and not without grave apprehensions. Such a measure will be a clearly retrograde measure—a distinct receding from the more liberal principles of the general land policy of the Presidency.

As regards the larger question of agricultural indebtedness and land alienation to which you draw attention, the evil is no doubt assuming dangerous dimensions in all parts of the Presidency; but, as Lord Northcote explained a few days ago in a speech at Sukkur, in Sind, the initiative rests with the Government of India, not with the Local Government. It is, however, one of the "twelve questions" to which Lord Curzon is devoting his most serious consideration, and as far as it is

possible to judge from available indications, we may not have to wait very long for a comprehensive project of remedial action. Nor are we left much in doubt as to the general character of such action.

The ryot here, as elsewhere in British India, is evidently sinking and suffering—the unconscious victim of his own ignorance and reckless extravagance—and that too, under a system of land tenure and land revenue settlement, the most perfect that could be devised, a system which guarantees to him every condition of success and prosperity. The lightest taxed farmer in all the world—he borrows and borrows, and is now more or less hopelessly involved in debt, and holding his acres by a privileged proprietary title, he is freely parting with his rights in the soil, and resignedly accepting the position of an *adscriptus glebæ* working for his *Sawkar*. Surely, the fatal gift of full proprietary rights—including an unrestricted power of alienation—has proved his ruin. The number of such transfers of land from the agricultural to the non-agricultural money-lending classes is everywhere in the Presidency alarmingly on the increase, and constitutes a social and economic evil of the first magnitude; and it is held that no scheme of ameliorative action can be effective or complete which does not, among other things, impose large limitations on the ryot's right of transfer, and thereby save him against himself and from the imminent peril of expropriation. It is abundantly clear that if he is ever to be able to stand on his legs and thrive, he can do so only as a simple Crown-tenant—absolutely released from the heavy responsibilities of a free proprietary *status* to which he is unequal.

Such, briefly, would appear to be the broad conclusion at which the Government of India has arrived after a most close and extended examination of the question. It is noticeable how the Government of India view silently ignores in a general estimate of the situation one of the most important and determining factors—the land revenue system and its working. And the historical retrospect—detailing the various stages by which the present conclusions have been reached, as given by the Hon. Sir Charles Rivaz at a sitting of the Supreme Legislative Council, held at Simla on September 27, 1899, in the course of a speech moving for leave to introduce the Punjab Alienation of Land Bill—possesses peculiar interest in this connection. After a brief reference to Mr. Justice West's

pamphlet entitled "The Law and the Land in India," formulating for the first time a definite plan for imposing limitations on the power to alienate land, Sir Charles Rivaz proceeds:—

"In 1875 in consequence of agrarian riots in the Bombay Deccan, a Commission was appointed to inquire into the condition of the agricultural population of that part of India. The result of those inquiries was the passing of the Deccan Agriculturists Relief Act of 1879, by which the ordinary civil law in four of the Bombay Deccan districts was in many respects amended in favour of agricultural debtors."

"In 1881, legislation was undertaken for the relief of large landholders in Sind, and in the Broach and Kaira districts of the Bombay Presidency, and in 1882 for the relief of encumbered estates in the Jhansi division of the North-West Provinces. A main feature of all these enactments was that while the estate remained under Government management, the indebted owner was debarred from alienating any portion of it."

"The question of agricultural indebtedness was included by the Famine Commission of 1878 in the scope of their inquiries, and in their report, they expressed their views on the desirability of protecting agricultural debtors, among other means of relief, by imposing restrictions on land transfers."

After brief mention of Mr. Thorburn's pamphlet on the indebtedness of the Mahomedans landholders of the Western Punjab, advocating strong measures to check the alienation of lands to money-lending classes, and which attracted the notice of the Secretary of State, Sir Charles Rivaz goes on:—

"In 1891 a Commission was appointed to report on the working of the Deccan Agriculturists Relief Act of 1879, and on the desirability of extending a similar measure to other Provinces. The Government of India, in forwarding the Commission's Report to the Secretary of State in 1894, together with a draft Bill to provide for the relief of the agricultural classes, in which certain changes proposed by the Commission in the Deccan Act had been incorporated, remarked that such legislation would, however, only partially meet the difficulties connected with the general problem of agricultural indebtedness, that remedies of an entirely different kind, including measures for further restricting the right of land transfer, seemed indispensable, and that this part of the subject would be separately and carefully considered."

"Accordingly a circular was addressed to Local Governments in October, 1895, in which it was said that the Government of India were distinctly of opinion that some action in the direction of restriction upon the alienability of land was generally advisable, and even necessary, though the manner and degrees of the restriction must vary from Province to Province. Each Local Government and Administration was requested to take the subject into its most careful consideration and to communicate its matured views and definite proposals for action in the direction indicated. Two Notes accompanied the circular, in which the whole subject of agricultural indebtedness in India and the various possible remedies for checking transfers of land, were exhaustively explained and discussed."

"On receipt of the replies to this circular, it was decided to deal first with the Punjab as being the Province where the question of agricultural indebtedness was of special importance in its political aspect."

Lord Curzon in his concluding speech on the debate referred to the point in these terms :—

"If it be asked why we have selected the Punjab as the field of this refinement, the answer is, that there the problem is most serious, there the evil has reached, or is reaching, the most dangerous dimensions, and there it possesses a political and social as well as a purely agrarian complexion. But our vision is not centred on the Punjab alone. The canker of agricultural indebtedness which is eating into the vitals of India, and which is one of the twelve questions that, as I have remarked on a previous occasion, I have set before myself the humble intention to examine, and if it may be, to attempt to solve, is not one of narrow or contracted application, though in particular parts it may be more grave in its incidence than in others. We shall doubtless require to handle it in different ways in different areas. We began some years ago after a tentative fashion in the Deccan. We are now proceeding with a bolder venture in the Punjab. Should we be successful in this enterprise, we shall be encouraged to proceed, and thus, stone by stone and layer by layer, to build up the fabric of economic and social stability for our rural population."

The Punjab Alienation of Land Bill is already law, and, as His Excellency the Viceroy significantly pointed out in his closing speech on the third reading of the Bill (October 19, 1900), "is the first serious step in a movement which is designed to

free the agricultural classes in this country—the bone and sinew of our strength—from an incubus which is slowly but steadily wearing them down."

The Punjab has thus been dealt with, and we are assured the turn of the other Provinces for similar protective legislation will come in due time; and Bombay, where the question is admittedly quite as serious and pressing as in the Punjab—*minus* the political element—will not in all probability need to wait for any long time. The evil of agricultural indebtedness and land transfer is a general and wide-spread evil, and demands, in the opinion of the Government of India, a remedial measure of general application.

It would thus appear that this whole question has passed far beyond the preliminary stages of inquiry and examination, and the Government of India is presumably not only in possession of the amplest material for forming a definite judgment on the subject, but would even seem to have definitely made up its mind as to the kind of remedial and ameliorative action the situation requires. And Bombay may confidently look forward to being blessed at no distant date—probably as soon as Sir Antony Macdonnell's Commission have sent in their report—with a duplicate copy of the Punjab Land Alienation Act intended to herald the dawn of a brighter agricultural era, and serve as an effective panacea for all the troubles of her distressed and long-suffering peasantry.

It may, however, be permissible to submit—even though it may now be too late to do so—that whatever the special circumstances or needs of other Provinces—political, social, or economic—no such restrictive legislation in limitation of the ryot's proprietary rights can suit or serve his purpose on this side of India. The situation here is not so simple as the Government of India seems to assume it to be; and a view which holds the poor, struggling cultivator of Bombay, exclusively, or even mainly responsible for all his woes, and takes no account of the other elements in the position—particulary the land revenue system and its pressure, land assessments and their heavy incidence, the evil of over-assessment, and the rigidity of collection—cannot but appear to be essentially incorrect, one-sided and unfair. The ryot is no doubt greatly embarrassed here, as elsewhere, but it is assuredly not because he lives beyond his means and does not save, or borrows recklessly and spends extravagantly—but principally, if not solely, because he is hard pressed.

by his necessities under a revenue system which leaves him no rest, and shows him no indulgence even in seasons of calamitous drought and crop failure, and keeps loading him with burdens he is increasingly unable to bear. And if he is to be saved and helped, it cannot surely be by levelling him down from the *status* of a free proprietary occupant to what is scarcely distinguishable from that of an *adscriptus glebæ*, reducing his sense of independence and responsibility, or diminishing his credit and the value of his holding. It is to be feared, any such project of remedial action would not only fail of its intended effect, but conceivably might make the position even worse.

The issues at stake are momentous, affecting the well-being and happiness of the vast body of our toiling ryots, and would it be too much to hope that the Government of India may yet, before committing itself to any definite line of action, see reason to re-consider the situation and its needs, and revise its conclusions in the light of a more comprehensive examination of the general agrarian problem as it presents itself in this Presidency?

Meanwhile, the public will be justified in asking that the papers on this subject (which are still presumably confidential)—including the Government of India Circular of October, 1895, the two exhaustive Notes accompanying the circular, and the replies of the Local Governments and Administrations to the circular—referred to by the Hon'ble Sir Charles Rivaz in the course of his remarks quoted above in introducing the Punjab Land Alienation Bill (September 27, 1899), may be published, so as to enable them to appreciate better the general bearings of the problem. In the absence of such authoritative material for forming a correct judgment, the non-official critic and student of the subject will obviously be placed at a serious disadvantage.

THE BOMBAY REVENUE PROBLEM.*

II.

As I ventured to suggest in a former letter, the Government of India, as they survey the agrarian problem as it exists on this side of India, can apparently come to no other conclusion than that the ryot's embarrassments, serious no doubt as they are, have their chief *fons et origo* in his own ignorant improvidence and reckless extravagance. The local authorities not only endorse that view, but go further and hold that the existing land revenue system itself—which treats him as a landed proprietor, free to do what he likes with his acres and well able to take care of himself—is a mistake and a failure, and needs a fundamental re-casting. As it is, the system gives him everything he could need or desire for the successful prosecution of his industry—*fixity of tenure*, *fair assessments*, and *free transfer*. It lets him hold his land by a free proprietary title and at moderate rates of assessment, absolutely guarantees to him the non-taxation of improvements effected by the expenditure of his own capital and labour, and gives him, in the secure sense of property and propertied possession it thus brings to him, the strongest incentive to work, to save, and to improve. No cultivator in the world could desire to have anything more. And yet it is painful to reflect that, constructed on principles the most liberal, conceivable and almost analogous to those which govern the land legislation of most of the advanced countries of Western Europe, and intended in its origin to build up a strong yeomanry, self-reliant and independent, proud and prosperous, to be the bone and sinew of rural Bombay, and to supply the most powerful stimulus to the improvement and efficiency of the agricultural industry of the Presidency—this ill-starred system inaugurated in 1835-36, far from realising the sanguine anticipations of its eminent founders, only brings us, after close on three-quarters of a century's trial, to an agrarian *impasse* from which escape seems so hard, if not entirely hopeless. The ryot, his ways, and his woes have ever been the despair of the Bombay Revenue Administration. He is, as he has ever been, thriftless and reckless, lazy and ignorant, does not, and never will, appreciate either the privileges or the obligations of a free landed

* This letter appeared over the signature 'J.' in the *Times of India* dated 27th March 1901.

proprietary *status*. He never saves, nor ever looks beyond the needs of the present, seldom lives within his means, borrows and borrows on the security of his acres, till he can borrow no more. Such being the case, what wonder if we find him sinking and sinking everywhere, under the weight of his debts, so recklessly incurred, and freely giving away his rights in the soil to his *Sawkar* without a thought for the morrow, and thus voluntarily bringing himself down to the position of a predial serf "sowing that another may reap, and toiling that another may rest," and being without savings or other resource of any kind, unable to tide over even a single season of drought or crop-failure? Surely, if Government continues to treat him any longer as it has hitherto done, and leaves him to himself and his methods which are hurrying him on to ruin and disaster, and does nothing, while there is yet time, to help him on to dry land against and in spite of himself, it will be neglecting a "manifest duty."

The Hon. Mr. Monteath, speaking on behalf of Government, tersely put this view of the matter in a nut-shell in his Budget speech at the Council meeting at Poona last August when he observed:—"The mass of the people are so improvident that they will borrow up to the full value of their property, whatever it may be, and the greater the value, the greater will be the amount of indebtedness. . . . . The bulk of the people would probably have been better off, if the full economic rent had been exacted. It is owing to the lightness of the assessment with fixity of tenure and power of transfer that many have been brought down from the position of occupants to that of rack-rented tenants, often almost to that of serfs." So, too, Mr. W. P. Symonds, our accomplished Survey and Settlement Commissioner, adopted a similar line of criticism in his evidence on the point the other day before the Famine Commission, pointing out "that at the time they introduced the Deccan Agriculturists Relief Act, 1879, they ought to have coupled it with an Alienation Act on the lines of the Punjab legislation." Further, in a brief letter to you, dated Poona, January 30, Mr. Symonds remarked with still more emphasis:—"It is evident to any one who takes the trouble to think it out, that to attempt (as was attempted about 60 years ago) to give fixity of tenure to a penniless cultivator without restricting his power of alienation is an absurdity. The apparent prodigality of the cultivator in money matters is largely a result of his environment, for which we are, in some degree, responsible. I am no believer in legislation as a panacea, but I blieve it is in our

power, by very simple means already sanctioned by precedent, to give the cultivator a chance and a hope of freeing his land and getting out of debt, and until we do this we neglect a manifest duty."

Such is, briefly, the view the local authorities take of the matter. In their opinion the very merits of the Land Revenue system, under which the ryot has been so long privileged to live and work, have here, strangely enough, proved his ruin; and the position can only be saved by a radical change in the land policy of the Presidency, involving restrictive legislation in limitation of his proprietary right of free transfer and, possibly, a shortening of the settlement terms.

Obviously, such an estimate of the situation and its requirements leaves a good deal to be desired. Besides resting on an imperfect appreciation of the facts, it ignores some of the larger and more determining factors in the problem, seeks most unjustly to lay the whole blame on the poor ryot, who is in the majority of cases more or less the helpless victim of circumstances he is powerless to control, and against which he is battling as best he can, though baffled oft, with a patience and a manliness which should compel admiration and sympathy, and finally suggests a scheme of remedial effort, which might eventually—if the teachings of experience are worth anything—have the result, by lowering his *status* and impairing his sense of independence, of making his position worse, and his lot harder than now.

The state of things, however, that confronts us in the Presidency is admittedly serious. The evil of hopeless agricultural indebtedness and enforced land transfer to the money-lenders is assuming dangerous dimensions in most parts of the Presidency, and the threatened virtual expropriation of a large body of our cultivators constitutes a socio-economic peril, the gravity of which cannot be over-estimated. All authorities are agreed that the situation is one of serious urgency and demands an early adoption of effective measures to counteract the further progress of the evil, and otherwise ameliorate the condition of the rural classes in the Presidency. Vast issues of vital moment are thus involved in the present discussion, affecting the well-being of the toiling millions of the Province; and a brief examination of the whole question from a broader standpoint may not be without its use.

The points for inquiry in this connection are:—

(*a*) *Agricultural indebtedness*—its origin and extent.

(*b*) *Consequences of such indebtedness*—retardation of agricultral improvement, land transfer from the agricultural to the non-agricultural money-lending classes, resulting in expropriation of a large number of cultivators, their increasing resourcelessness and want of staying-power and revenue-paying capacity, &c.

(*c*) *Remedial measures.*

As regards (*a*) the origin of *agricultural indebtedness*—we have the conclusions of no fewer than three Commissions to guide us. The Deccan Ryots Commission, reporting in 1875, gave a long list of causes to which they attributed the indebtedness of the Deccan cultivators, mentioning among others a poor soil, a capricious climate, inherited debt, the new Limitation law, and the ryots' improvidence—on which last point, they observed: "It would be idle to say that improvidence does not exist as a cause of indebtedness. It consists, however, rather in the short-sighted imprudence of an ignorant class ready to relieve present necessity by discounting future income on any terms, and unable to realise the consequences of obligations foolishly contracted, than in an extravagant expenditure or misapplication of income. The results of the Commission's inquiries show that undue prominence has been given to the expenditure on marriage and other festivals as a cause of the ryot's indebtedness." Further, they made a prominent reference to the rigidity of the Land Revenue system as being "beyond doubt an element in the causes of embarrassment," pointing out, "it is evident that a Revenue system which levies from the cultivators of a district such as that now dealt with, the same amount yearly without regard to the outturn of the season, must of necessity lead to borrowing. In bad years, the ryot *must* borrow." And, again, "the first year of drought which finds the ryot under inflexible revenue demand will surely lead *him* into debt." As regards the pressure of the revenue demand, the Commission was divided in opinion, but Mr. Lyon, Mr. Carpenter, and Sir A. Colvin strongly expressed their conviction in minutes of dissent that the ryot's difficulties were largely aggravated by excessive enhancements of assessments on revision. The Famine Commission of 1880 gave a similar explanation of the general indebtedness of the landed classes, remarking: "The origin of debt among the landed classes is traceable to various causes, among which the most prominent

are the failure of crops from drought, expenditure on marriage and other ceremonies, general thriftlessness, an improvident use of sudden inflations of credit, the exactions of an oppressive body of middlemen and administrative errors, such as unsuitable revenue settlements ; and debt once incurred very rapidly grows with exorbitant rates of interest." They, however, took care to dissociate themselves from the view that the " system of rigid and regular collection of the land revenue " was one of the causes of such indebtedness, remarking : " Seeing the very small proportion which the land revenue bears to the gross produce of the land, there cannot be much foundation for the view." (Report, Part II, page 132.) The Commission of 1891, appointed to inquire into the working of the Deccan Agriculturists Relief Act, confining their observations, to the Deccan districts, drew pointed attention to this very rigidity of the Bombay Land Revenue system as being, in their view, the most prominent cause—next, of course, to " the capriciousness of the climate "—of the ryots' growing indebtedness. In paras 85 and 66, they wrote : " As to the incidence of the present assessment, the inquiries made by the Commission were on too limited a scale to warrant their expressing a general opinion with confidence ; but though the localities visited included some of the poorest parts of the four d[illegible] the gross complaints of the assessment being too heavy were n[illegible]jerat di[illegible]ll the evidence pointed to the conclusion that the re[illegible]imed by[illegible]on the whole moderate. There can, however, be no qu[illegible]gross [illegible]hat the rigidity of the present system is one of the main c[illegible]al[illegible]es which lead the ryots of the Deccan into fresh debt, and that the dates on which the revenue is realised are in some places unsuitable, and place the ryot at an unnecessary disadvantage." " It is generally stated that in the Deccan out of three seasons one is good, one middling, and one bad. Mr. E. C. Ozanne, C. S., the Survey and Settlement Commissioner, considers, however, that even this moderate estimate is too sanguine, and that in every cycle of eleven years five or six are bad, and the rest either good or middling. It seems obvious that a revenue system which aims at securing a fixed annual payment is unsuited to such a country. Such a system could only work smoothly if the good seasons occurred regularly, and the ryots were sufficiently provident to save the surplus of good against the losses of bad years ; but, unfortunately, in the Deccan good seasons do not occur regularly, and the average ryot is not provident." (Report 1891-92, Part III, page 67.)

Looking at the matter in the light of a longer and larger experience, as also in view of the more recent developments of the situation, I submit, we must—however reluctantly—put down not only the rigidity of revenue collection, but also the excessive pressure of the existing land revenue assessments as among the prominent causes of the ryots' indebtedness.

Here, however, we come to a point which, as being the most important and delicate in the controversy, necessitates a somewhat extended investigation. When a similar contention was pressed in Council at Poona last year, in the course of the Budget debate by some of the native members, including the Hon. Mr. Metha, the Hon. Mr. Monteath indignantly asked: "What evidence is there of over-assessment?" The Hon. Mr. Muir-Mackenzie entered into an elaborate discussion of the point and stated: "The belief of the Settlement Department, to which I had for some time the honour to belong, is that the assessment is exceedingly light on the average in the Deccan and Karnatak, light to moderate in the Konkan, and moderate to full in Gujerat. No-where is it believed to be on the full average excessive." So, too, when the matter came up again before the Famine Commission the other day in connection with the question of suspension and remission of land revenue, the official witnesses—one and all—concurred in the view that the land revenue assessments in the Bombay Presidency on the whole not only *moderate*, but even *light*. The Commission's Mr. Muir-Mackenzie stated in the course of his evidence that the land revenue on an average—including even the high assessments—took up no more than between seven and eight per cent of the gross produce of the soil, in Gujerat the proportion being about twenty per cent, in the remainder of the Province under six per cent. Mr. Symonds, the Survey and Settlement Commissioner, who followed, told the Commission that even in Gujerat the incidence of land revenue was not so heavy, stating "only in four districts in the Presidency does the land revenue fall at more than ten per cent of the gross produce. In the districts of Ahmedabad, Kaira and Broach the assessments are above ten per cent; the assessment in Ahmedabad is 10·66, in Kaira 13·71, and in Broach 16·1 per cent. of the gross produce. Elsewhere throughout the Province the incidence of land revenue is under 6 per cent. In only Khandesh, Satara, Bijapur and Dharwar does the assessment exceed 6 per cent, and in these only by a fraction."

Such is the official estimate of the incidence of the land revenue demand in the Presidency. *Prima facie*, such an estimate would strike one as surprisingly low—possibly a gross under-estimate. In *Bengal*, where the land-tax under the Permanent Settlement is by general consent the lightest in all India and averages no more than annas eleven per cultivated acre, and seven annas per head of population, the proportion of the State share to gross produce is officially estimated at *about six per cent.* In *the North-West Provinces*, where there is the middleman to intercept a portion of the profits of the soil, Sir Antony Macdonnell, the Lieutenant-Governor, says in his evidence before the Currency Commission (Question 5739): "I should say that the fair average share of the gross production taken by the landlords in rent would be about 20 per cent, and I think, as a rule, the Government takes less than half of that. I should say, the Government assessment of land revenue in the N. W. Provinces is represented by *about eight per cent*, of the gross produce." In the *Punjab*, Mr. Baines (in the Decennial Report on the Moral and Material Progress and Condition of India, 1891-92, p. 226) states that "the State share is taken, as a rule, at one-sixth of the gross produce" (*i. e.* 16·6 *per cent*). In *Madras*, the incidence is officially estimated to range from *twelve per cent to thirty-one per cent* of the gross produce. Here in *Bombay*, excepting the four Gujerat districts, we are asked to believe that the share claimed by the State on an average falls below 6 per cent of gross production, so that the revenue demand is as light as in Bengal under its Permanent Settlement, and a good deal lighter than in other provinces.

It is not known on what *data* these authoritative estimates of the Bombay Revenue Department as to the incidence of land revenue in this Presidency—put forward with such show of mathematical precision—are founded. If they, however, rest, on no better basis than is supplied by the reported results of crop experiments, conducted from year to year in various parts of the Presidency mostly by non-expert revenue officers who claim no special acquaintance with agricultural matters, we have it, on the authority of Mr. J. W. Mollison, Deputy Director of Agriculture, who is responsible for these crop-cutting experiments, that not much "precision" or "importance" attaches to the results of those experiments as "at present carried out." (*Vide* report of his evidence before the Famine Commission published in the *Times of India*.) It may be remarked in this connection that, as with us the land assess-

ments are fixed not with reference to the ascertained gross or net produce of the soil as is done in Madras or the Punjab, but on the basis of an *abstract* valuation of the inherent productive capabilities of the soil by an expert department, we have not on this side anything like a large or varied accumulation of well-attested facts on the point such as exists in other Provinces, —a circumstance which makes it a matter of extreme difficulty to test the value of these official estimates as to the incidence of land revenue. Fortunately, however, we are not left entirely to groupe in the dark on the point. We have important side-lights to help us in our endeavour to arrive at a tolerably correct conclusion on this much debated question.

The pressure of the land revenue demand, as it at present exists in this Presidency, may be tested and measured in four distinct ways, *viz.* in reference—

(1) *To its incidence per head of population.*
(2) ,, ,, ,, *per cultivated acre of land.*
(3) ,, ,, ,, *as compared with gross produce.*
(4) ,, ,, ,, ,, ,, ,, *net produce.*

And, so tested and measured, it will be seen that it is not only heavy absolutely and in itself, but even relatively, as compared with what it is in other Provinces. In spite of what the Hon. Sir Edward Law is pleased to assert in his Financial Statement just published as to the advancing prosperity of the Indian agriculturist, he is, as a matter of fact, hard pressed and in sore distress all over India, tottering under the accumulating weight of burdens he is more and more unable to sustain, except, perhaps, in the Happy Valleys of the Chenab and the Nara; but no-where, we have sorrowfully to admit with all due deference to the distinguished defenders of the Bombay Land Revenue system, is he so badly off as in this premier Presidency of Bombay.

This letter is already rather long, and I must stop, reserving a detailed investigation of the point for another occasion.

THE BOMBAY REVENUE PROBLEM.*

III.

As I urged with all submission on a former occasion, the Government of India's view of the agrarian problem as it confronts us on this side of India—which seeks to cast the whole blame on the ryot and to exonerate the Land Revenue Administration from all responsibility in the matter—is a view which a juster appreciation of facts would show to be at once incorrect, one-sided, and unfair, and a scheme of ameliorative action founded upon it is not calculated to meet the necessities of the case. It has to be borne in mind that Land Revenue in British India is not a mere item in a financial account like salt or customs, opium or excise, but constitutes an important branch of the General Administration, which is intimately bound up with the welfare and contentment of the mass of the population; and when it is administered—as it is in this Presidency—under an avowedly empirical system which rests on an abstract basis and works on *a priori* theories, largely dissociating itself from practical consideration of concrete relations and conditions, it can be no matter for surprise if we find that in its practical working it leads to economic and social results the reverse of desirable. We see, everywhere in this Presidency—not only in Gujerat but in the Deccan and Konkan too—the land is more or less over-assessed, and the State-demand enforced with extreme rigour; and on an unprejudiced consideration of the matter, it is impossible to resist the conviction that it is this double evil of over-assessment and over-stringency in collection that has brought the ryot on this side of India to the verge of economic ruin, and made him, what we find him to be all over, more or less the helpless victim of the inclement seasons and the predial serf of the unrelenting *sawkar*. But, further, we ought not to conceal from ourselves the unfortunate fact that the situation—already otherwise so distressing—has been rendered infinitely worse and graver by recent calamities. Painful evidences of agricultural decline meet the eye on every side, and as we contemplate Lord Curzon's rosy-tinted picture of agricultural advance and prosperity, we cannot help thinking that whatever its truth as regards the other provinces, plague and famine-stricken Bombay evidently lies outside the range of the Viceregal perspective, and cultivation and cropping alike exhibit here a lamentable falling off.

* This letter appeared over the signature 'J.' in the *Times of India* dated 10th April 1901.

In Millions of Acres.

Year.	Total Cropped Area.	Double Cropped.	Net Cropped Area.
1889-90	25·715	·682	25·133
1890-91	25·578	·545	25·032
1891-92	25·047	·432	24·614
1892-93	25·943	·780	25·162
1893-94	25·407	·709	24·697
1894-95	25·376	·778	24·398
1895-96	25·000	·675	24·324
1896-97	19·090	·663	19·246
1897-98	24·312	·755	23·557
1898-99	24·689	·727	23·962
1899-1900	22·394	·535	22·059

As will be seen from the above table, the cropped acreage shows almost a continuous decrease, as compared with the level of 1889-90—except in 1892-93. In the pre-famine year 1895-96, the net cropped area was just 24·324 million acres, or 8 lakhs less than in 1889-90. But as regards the outturn of crops for that year, which was on the whole a normal year, even the cheery optimism of the Hon'ble Mr. Muir-Mackenzie was not able to put it at more than 574 lbs, as contrasted with Lord Curzon's assumed normal yield of 840 lbs, for the whole of India. Heavier, however, by far than even this diminution in cropped areas, has been the loss of agricultural cattle during the six years ending 1899-1900, as shown in the table below compiled from the Administration Reports for 1893-94 and 1899-1900:—

AGRICULTURAL CATTLE. (000s omitted).

District.	1893-94.	1899-1900.	Decrease.	Decrease per cent.	
N. DIVISION.					
Ahmedabad...	442	147	295	60	40
Kaira	402	184	218		
Panch Mahals	283	79	184		
Broach...	148	74	74		
Surat	338	308	30		
Thana	407	390	17		
Total ...	2,020	1,182	818		

C. DIVISION.

Khandesh	965	440	525	—54
Nasik	598	384	214	
Nagar	749	382	367	40
Poona	623	436	187	
Sholapur	547	314	233	
Satara	639	473	166	
Total ...	4,121	2,429	1,692	

S. DIVISION.

Belgaum	574	481	93	
Bijapur	606	405	200	
Dharwar	630	609	21	12
Kolaba	308	308	...	
Ratnagiri	119	125	...	
Canara	297	287	1	
Total ...	2,534	2,215	315	
Total for the Presidency.	8,675	5,826	2,825	33

As will appear from the above table, the decrease of agricultural cattle—the ryot's chief wealth and stay—is general in the Presidency, excepting the two districts of Kolaba and Ratnagiri, and aggregates during the past six years no less than 28·2 lakhs on total of 86 7 or about 33 per cent. In the four Gujerat districts of Ahmedabad, Kaira, Broach and Panch Mahals, it is over 60 per cent; in the Deccan it is over 40 per cent; in Khandesh it is over 50 per cent; and in Nagar it is close on 50 per cent. This appalling loss of cattle, especially in the famine districts, is perhaps the most depressing feature of the situation. What wonder if amidst such disheartening wreckage of famine-devastation, the ryot stands bewildered and paralysed —without heart, and without hope?

This is, indeed, a position of unparalleled difficulty, and imposes upon the Government of the Presidency a duty and a responsibility of which they cannot divest themselves. The ryot—hard-stricken and exhausted as he is—cannot be expected by his own unaided efforts to recover from the "crushing blows" he has sustained and regain the ground he has lost. State-help in more ways than one is indispensable to ensure and facilitate such recovery; and the crisis demands

that measures with a view to the granting of such assistance to him may no longer be delayed Already, famine conditions of a severe type prevail in several parts of the Presidency—in the Deccan districts of Sholapur and Nagar it is a third visitation wasting a twice waste area; and it behoves the authorities not to confine their view to the needs of the moment, but look further beyond and take some action intended to bring about a permanent alleviation of the ryot's sufferings. In the Central Provinces, where the ryot is in similar predicament, large and effective measures are being pushed forward with a vigour and a promptitude which are beyond all praise under the guidance of the Hon. Mr. Fraser, the present Chief Commissioner—measures undertaken with a view to help on the progress of agricultural recovery. The land revenue assessments in Saugor and other distressed districts are being revised with a view to reduction; and conciliation proceedings on behalf of the suffering ryots are in progress in order to promote private amicable settlements of old debts. Nor are irrigation schemes, calculated to ensure the Province against the consequences of draught, neglected: they are being actively planned out with the assistance of a special staff of Irrigation Engineers. While so much and more is being done in a neighbouring Province on one side, where the stress of suffering and trial is no less severe, is it not somewhat disappointing to observe that there is as yet no more, not even a sign of any such on the part of the authorities in the needed direction? Surely, Government cannot afford to be so apathetic or inactive in the presence of a situation like this, and persisting in its usual policy of *non-possumus*, let things drift with the *non-chalance* of official routine; and the sooner it takes in hand this work of ameliorative effort the better.

The situation is grave, and demands the adoption of large measures. The ryot must have a fresh start, and under freer and easier conditions. He wants repose and breathing-time after the exhausting struggles of the past few years and a substantial alleviation of his burdens in regard to both the State-demand on the land and the pressure of debt. To put it more specifically, he requires *inter alia*:—

(1) *Relief from the harassing and disturbing operations of Revision Survey and Settlement*—on the analogy of the Orissa precedent of 1866-67, when the thirty years' settlement which had by that time expired in that Province, was, with the approval and sanction of Lord Lawrence's Government, "renewed without alteration" for another thirty years in consideration

of the ravages brought by the famine of the year—*not a mere postponement* for two or three years of revision surveys such as Government has recently sanctioned—but a *general foregoing on the part of the State of enhancement of revenue or revision for another twenty or thirty years.*

(2) *Revision of the existing land revenue demand with a view to substantial reduction,*—particularly in those districts of the Presidency where it at present weighs most heavily, *e.g.*, Sholapur, Nagar, Kaira, Bijapur, &c., as is being done just now in several districts in the Central Provinces.

(3) *Special measures* with a view to *relief* from the heavy load of existing *indebtedness.*

Assistance in some such directions is what the ryot urgently and indispensably requires, and it is to be hoped that the Bombay Government, especially under the guidance of the large-hearted statesman who at present presides over it, will rise to the full height of the duty the crisis lays upon it, and adopt without avoidable loss of time effective measures with a view to help the agricultural recovery of the Presidency from the depression of the past decade.

I will not, however, anticipate here what I shall have to urge with more fulness of detail at a later stage of this discussion. I propose to address myself on the present occasion to a brief examination of the Land Revenue Administration that meets us *en limine, viz.*, that the existing land revenue demand in the Presidency is not only moderate but light, and that the ryot—specially favoured as he is under the Bombay Revenue system—has no claim to, and, indeed, no need of any such relief.

At the outset it may be of some interest to see how the land revenue of the Presidency has grown to its present total of over three crores. In 1871-2-3 it was about 242 lakhs; to-day it stands at 299·9 lakhs, exhibiting an increase during the past thirty years of 56·2 lakhs, or 23·1 per cent thus :—

ORDINARY LAND REVENUE IN LAKHS.

Average of	1871-72 and 1872-73.....	241·7
,,	1881-82 and 1882-83	260·9
,,	1891-92 and 1892-93	282·3
,,	1898-99 and 1899-1900	297·9

Total increase since 1871-72-73=56·2 lakhs, *i. e.*, 23·2 p.c. If we include sale proceeds of waste lands and other miscellaneous items, the total land revenue of Bombay has risen from 248·9 lakhs in 1871-2-3 to 305·8 in 1898-9-1900, the increase being 56·9 lakhs during the period.

The land revenue increase that has thus taken place in this Presidency compares with what we have in other Provinces as follows :—

LAND REVENUE, INCLUDING MISCELLANEOUS ITEMS, IN LAKHS.

Provinces.	Average of 1871-72 and 1872-73.	Average of 1898-99. 1899-1900.	Increase since 1871-72-73	Per cent.
N. W. Provinces and Oudh ...	550·0	654·7	104·7	19
Punjab.....	198·6	238·5	39·9	20
Madras.....	456·6	492·0	35·4	8
Bombay.....	248·9	305·8	56·9	22·8

Thus, while the State-demand on the land shows an increase of under 20 per cent in the North-West Provinces and Oudh and the Punjab, and of just 8 per cent in the Ryotwari Presidency of Madras, in Bombay it amounts to nearly 23 per cent. In the Central Provinces, the increase is exceptionally heavy, being as much as 47 per cent, the revenue from land having risen from 59·4 to 87·3 lakhs during the last thirty years ; but it is entirely due to recent enhancements on revision, which are now being reduced. During the decade ending 1897-98, the land revenue of the Provinces averaged 68·15 lakhs, showing an increase of 8·7 lakhs, or about 15 per cent on the level of 1871-2-3. Bengal, of course, with its Permanent Settlement, lies outside the field of comparison.

Next, as regards this increase of our land revenue since 1871-2-3, we may inquire how it has been obtained. As a conjectural estimate—a precise conclusion not being possible on the data available—based on information contained in the General Administration Reports, it would appear that nearly three-fourths of this increase has been secured on revision set-

tlements, and that just one-fourth is consequent on extended tillage, thus:—

	Lakhs.
Total land revenue increase since 1871-2	56·2
	Lakhs.
(A) Due to Revision Settlements..	41·38
(B) ,, Extension of Cultivation ...	14·86

To take first the *revisional* portion of the increase—(A), the revision settlement operations commenced in 1866-7, and from that year to 1871-2 the enhancement secured amounted to 52·9 lakhs. Since 1872-3 the progress has been as under:—

INCREASE OF LAND REVENUE IN LAKHS.

From 1872-3 to 1882-3	9·27
,, 1882-3 to 1892-3	16·74
,, 1892-3 to 1899-1900	15·37
Total	41·38 lakhs.

The broad result of Revisional Settlement up-till now in the Presidency stands thus:—

No. of villages revised and re-settled	14,340½	
Total revenue realized in the year before the introduction of the revision settlement	155·72	lakhs.
Revised annual demand on re-settlement	202·39	,,
Difference between former and revised revenue	46·67	,,
Percentage increase	30·0	,,

In Madras similar revision Settlements have been in progress since 1856-7, and the net result is an increase of about 84 lakhs on a total revised revenue demand of 375 lakhs, or 22 per cent. In Bombay, only half the area has up-till now been revised and re-settled, and the resultant enhancement comes up to full 30 per cent.

Secondly, as to increase of revenue due to extension of tillage—(B)—the statistics are incomplete and somewhat defective, but taking them such as they are, we find :—

Total cultivated acreage in millions of acres

Year.	exclusive of Canara.	
1872-3.....	21·288	
1889-3.....	22·227	(a comparatively low figure due to the heavy drop of the famine year 1876-7.)
1892-3.....	24·925	
1898-9.....	23·726	

The increase in cultivated acreage during the twenty years from 1872–73 to 1892-3 was about 36·4 lakhs of acres ; since 1892-3 there has been a considerable fall-off owing to adverse seasons. The additional revenue obtained on this extension of tillage during the period amounts to 14·8 lakhs, or at the low average acreage rate of a trifle over 6 annas, as against the general rate of Re. 1-4 in the Presidency—an unmistakeable proof of the fact that with the pressure of population, tillage has for the most part extended to poorer and poorer soils during the period.

Putting the two kinds of increases together, *viz.*, (1) due to Revision Settlements and (2) due to spread of cultivation, we have the following result :—

In lakhs of rupees.

Decade.	Total Ordinary Land Revenue. 1st year.	Last year of the decade.	Increase of Revenue. Due to Revision.	Due to extension of cultivation.	Total increase.
1872-3 to 1882-3	241·7	260·9	9·27	9·95	19·2
1882-3 to 1892-3	260·9	282·3	16·74	4·66	21·4
1892-3 to 1899-1900	282·3	297·9	15·37	·25	15·62
Total Increase of Revenues in 1871-2			41·38	14·86	56·22

The table shows :—

(1) That, taking the first twenty years of the period, the total increase secured amounted to 40·6 lakhs, of which 26 was due to Revision Settlements and 14·6 due to extended tillage ; and

(2) That during the last eight years, extension of cultivation having almost ceased, the enhancement of 15½ lakhs secured has been for the most part consequent on Revision Settlements.

Taking the total land revenue demand for the Presidency as we now find it, amounting to 305 lakhs, including miscellaneous items, we may proceed to examine its pressure with reference:

(1) to its *incidence* per *head* of *population*.
(2) to its *incidence* per *acre* of *a cultivated area*.
(3) to its *ratio* to the *gross produce* of the soil.
(4) to its *ratio* to the *net produce* of the soil.

Let us begin with its incidence in relation to population. The population of the Presidency by the recent census is 15·33 millions; the land revenue is 305 lakhs; so that its incidence per 100 of population works out to Rs. 199, or Rs. 1·9 per head. The incidence thus compares with what it is elsewhere in the country:—

Province.	Population according to recent census in millions.	Land Revenue in lakhs in 1898-9.	Incidence per 100 inhabitants in Rs.
Bengal	74·713	404·48	54
Central Provinces.	9·847	87·39	90
North-West Provinces and Oudh.	47·696	663·72	139
Punjab	22·449	256·41	114·2
Madras	38·208	503·82	132
Bombay.....	15·330	305·00	199
Total ...	208·243	2,220·82	107· nearly

Thus, the incidence of land revenue in relation to population is heavier by far in the Bombay Presidency than in any other Indian Province; it is close on double the average for the whole country. In Bengal the pressure is just Rs. 54 per 100 inhabitants; in the Central Provinces—even with their exceptionally heavy enhancements on recent revised settlements—it is Rs. 90; in the North-West Provinces and Oudh with their

magnificent irrigational facilities, it is Rs. 138; in the Punjab and Madras, where the land revenue is taken in full, it is Rs. 114 and Rs. 132, respectively. In Bombay, with our poor soil, variable climate, and uncertain rainfall, and with but few irrigation works, the incidence of the State-demand on the land is nearly Rs. 200 per 100 of population! In regard to Bengal, the Central Provinces, and the North-West Provinces and Oudh, it is contended that the incidence works out so low as compared with what it is in the ryotwari Provinces, because, there is here the zemindar, malguzar, or talookdar middle-man to intercept a portion of the revenue which would otherwise come into the treasury of the State; but in reference to this matter it seems to me it is not sufficiently borne in mind that even in the ryotwari Presidencies, the State treats—or, at all events, professes to treat—the ryots not as "tenants" or "sub-holders" holding at rack-rents and on precarious tenure, but as occupying *proprietors* of the acres they hold, entitled, under solemn promises, to enjoy *half the net profits* of the soil. No such contention, however, applies to any large extent to Madras or the Punjab, where the hated middleman "landlord" does not exist, or exists only in a very small area, and where the State share of the produce of the soil is claimed and levied in full. But even here the incidence of the land revenue demand on population is comparatively light—Rs. 132 in Madras and Rs. 114 in the Punjab per 100 of population. In Bombay, under a similar system of land tenure, the incidence is Rs. 200 per 100 inhabitants, or Rs. 2 per head of population.

The full significance of this varying incidence of land revenue per *capita* of population in the different Provinces of British India can best be brought out by a brief comparison of their different agricultural facts and conditions. In point of natural advantages of soil and climate, rainfall and water-supply, Bengal stands at the top of the list as the richest province in India; the N. W. Provinces and Oudh, the Central Provinces, the Punjab, and Madras follow in succession; and Bombay, excepting a few districts, comes out as about the poorest. Gujerat is no doubt good, and so, too, is Khandesh; the Southern districts are only tolerably fair; but the Deccan is poor, and exposed to violent fluctuations of rainfall, and liable to drought; while the Konkan, though blessed with a plentiful

rainfall, is for the greater part rocky and barren. As regards the present condition of agriculture in these different Provinces —taking the year 1894-5 as being on the whole a normal year all round—tables A., B., C., compiled from "Agricultural Statistics of British India for the years 1894-5 to 1898-9, Fifteenth Issue," are sub-joined, setting out the main facts and features :—

Table A.—Classification of cropped areas, ploughs, and cattle. (Bengal is left out of comparison for want of statistics) :—

Agricultural statistics for 1894-5 in millions.

Province.	Net cropped area in acres.	Irrigated area in acres.	Double cropped area in acres.	No. of ploughs.	Agricultural cattle.
N. W. Provinces ...	25·03	*4·18 6·50 (average)	6·02	3·03	17·37
Oudh	8·66	1·87	2·89	1·43	7·63
Punjab	21·77	6·71	2·70	2·17	13·39
Central Provinces ...	16·06	·62	1·71	1·16	6·92
Madras	24·42	5·80	2·60	2·73	15·41
Bombay Presidency proper	24·59	·81	·77	1·10	8·51

* An exceptionally low figure for the year; the normal average for a number of years = 6·30 millions.

Summarized, these figures in Table A may be put thus :—

Province.	Net cropped area in millions of acres.	Per 100 acres of cropped area net. Irrigated area.	Double cropping.	No. of ploughs.	Head of cattle.
N. W. Provinces..	25·03	26	24	12	69
Oudh	8·66	21	32	16	88
Punjab	21·77	32	13	9	61
Central Provinces.	16·06	4	10	7	43
Madras	24·42	24	10	11	63
Bombay Presidency.....	24·59	3·2	2·8	4·4	35

Table B.—Classification of areas under crops.

Agricultural Statistics for 1894–95 (in millions of acres).

Superior Crops.	North-West Provinces.	Oudh.	Punjab.	Central Provinces.	Madras.	Bombay.
	Provinces.					
Rice	5·10	2·89	·85	4·53	6·55	1·75
Wheat	4·83	1·57	7·91	3·30	·02	2·04
Oil-seeds.....	·86	·24	1·09	2·28	1·70	1·84
Sugarcane	·97	·25	·34	·03	·06	·08
Cotton	1·18	·03	1·03	·60	1·31	2·69
Total...	12·94	4·98	11·22	10·74	9·64	8·40
Total Cropped Area..	31·05	11·56	24·47	17·78	27·02	25·37
Percentage of Superior Cropped to—						
Total Cropped Area	·42	·43	·45	·60	·37	·34

Table C.—Comparative Summary of Tables A and B (1894–95).

Province.	Net cropped area in millions of acres.	Irrigated areas.	Double cropped.	Superior cropped.	No. of ploughs.	Head of cattle.
		Per 100 Acres of Cropped Area.				
N. W. Provinces ...	25·03	26	24	42	12	69
Oudh	8·66	21	32	43	16	88
Punjab	21·77	32	13	45	9	61
Central Provinces...	16·06	4	10	60	7	43
Madras.....	24·42	24	10	37	11	63
Bombay	24·59	3·2	2·8	3·4	4·4	35

The figures put together in the preceding tables—particularly in table C in their summarised form—arrest attentioon Viewed in their mutual dependence, they present an altogether

unfavourable picture of the condition of agriculture in the Bombay Presidency as compared with other Provinces. It is a picture of agricultural poverty and destitution—unrelieved by a single redeeming feature. We have on our side very little *irrigation*—just a trifle over 3 per cent of the total cultivated acreage, and very little double-cropping—not even 3 per cent owing to the general poverty of the soil and the absence of irrigational facilities; we have just between four and five ploughs per 100 acres of cultivated area, or (say), one plough for 20 and 25 cropped acres, and no more than thirty-five head of cattle—and all this, be it remembered, in a normal year like 1894-95. As regards cattle, the state of things, after the dreadful havoc caused by the recent famine, is now much worse. We have now about 58·5 lakhs of cattle in the Presidency, or about twenty-four head for every 100 cultivated acres; the plough cattle—oxen and he-buffaloes—number only 24 lakhs (oxen 22·1 and he-buffaloes 1·8 lakhs)—scarcely a pair per 20 acres of net cropped area. As to cropping, the major part of the area is under millets and inferior grains, and the acreage under superior crops is only about one-third of the total.

As compared with other Provinces, the facts may be set out thus :—

(1) Bombay has a *smaller irrigated area* than any other Province, barely 3 per cent, as against 32 per cent in the Punjab and 24 per cent in Madras.

(2) Bombay has a *smaller double-cropped acreage* than any other Province—not even 3 per cent, as against 10 per cent in Madras, 13 per cent in the Punjab, and higher percentages elsewhere.

(3) Bombay has a *smaller area under superior crops* than elsewhere, it being 34 per cent only—the lowest figure in all India.

(4) Bombay has *fewer ploughs* than any other Province in relation to cropped area. Punjab has *twice as many ploughs* and for a smaller cropped acreage, the North-West Provinces and Oudh—three times as many.

(5) Bombay has *fewer cattle* than any other Province, there being now no more than about twenty-five head of cattle per 100 cropped acres—the lowest figure in all British India.

These facts may be respectfully commended to the notice of the official optimists—especially of the Revenue Survey and Settlement Department—who see nothing but "striking proofs" of advancing prosperity amongst the agricultural classes. The broad conclusion to which they all lead up is that agriculturally speaking, Bombay is in every respect about the poorest Province in all India. And yet, proportionately to our numbers, we are compelled to make a larger contribution to the land revenue of the Empire than the people of any other Province—Rs. 200 nearly per 100 of population. A land revenue system—under which the *heaviest* land taxation, proportionately to population, is laid upon a Province, the *poorest* in agricultural resources and conditions—evidently sins against sound Political Economy and all ideas of fiscal justice, and stands condemned.

Province.	Land Revenue per 100 inhabitants.
	Rs.
Bengal	84
Central Provinces	90
North-West Provinces and Oudh	139
Punjab	114
Madras	132
Bombay	199·4

Here, then, we have, in this exceptionally heavy incidence of land revenue on population, one decisive indication—(an indication only, I do not claim it as an absolute proof)—of the generally excessive pressure of the State-demand upon the land in this Presidency, of which the ryot complains, and to which he mainly ascribes his difficulties. Other indications will be supplied as we proceed with our inquiry into the land revenue incidence question—particularly in relation to cultivated acreage, and the gross and net produce of the soil.

I beg to stop here, reserving this further inquiry for another occasion.

THE BOMBAY REVENUE PROBLEM.*

IV

As I endeavoured to point out in my last letter, the pressure of the land revenue demand in this Presidency, as measured by its incidence on population, is exceptionally heavy—heavier by far than in any other province of British India. Equally heavy will be found to be on examination the pressure of its incidence on cultivated acreage. Taking the year 1898-99 as being a fairly normal year, and confining our views to Ryotwari tracts, we see the average incidence per acre of land revenue on fully assessed and cultivated area in Bombay comes to about Re. 1-6. The incidence thus compares with what we have elsewhere:—

Provinces.	Incidence per acre of land revenue on fully assessed and cultivated area.		
	Rs.	a.	p.
Madras (Ryotwari)	2	4	11.
N. W. Provinces (Zamindari and village communities, temporarily settled)	2	0	8
Oudh (do. do.)	1	15	7
Bombay (Ryotwari)	1	6	0
Punjab (Zamindari and village communities, temporarily settled)	1	2	10
Bengal (Zamindari, temporarily settled) ...	1	1	5
C. Provinces (Ryotwari)	0	11	2
C. Provinces (Zamindari and village communities, temporarily settled)	0	9	4

The significance of these comparative land revenue incidence figures is a good deal obscured by diversities of land tenure as between one Province and another; but the relatively low figure for Bombay—especially as compared with Madras, which is under a parallel system of land settlement—seems to afford, in the judgment of the Hon. Muir-Mackenzie, "a strong presumption of the extreme moderation of our assessment as a

* This letter appeared over the signature 'J.' in the *Times of India* dated 26th April 1901.

whole"—(*vide* his speech in Council last year at Poona, August 25, 1900)—the view held evidently being that a low average incidence must necessarily mean light assessment. It may, however, be with due deference pointed out that an average land revenue incidence represents the resultant of two distinct factors—the *scale of assessment rates* on the one side, and the *agricultural value of soils* assessed on the other; and the Chief Secretary to Government apparently overlooks the consideration that a low incidence may as well be the result—as it can be shown to be in this Presidency—of high rates of assessment as applied to inferior soils and low-class cultivation, as it may, of course, be of a low scale of rating. In the Madras Presidency the high average (Rs. 2-4-11) is due to the inclusion in the aggregate cultivated area of a large highly-assessed acreage under wet crops, assessed at over Rs. 5 an acre on an average; the dry crop rate is just a trifle over a rupee (Re. 1-0-5). On our side, the average incidence, comparatively speaking, works out so low—Re. 1-6 an acre—not because, as will be presently shown, our assessments are moderate or light, but because of the prevalence, over extensive areas, of inferior agricultural conditions. Dr. Maclean, of the Madras C.S, gives the following brief comparative table—evidently the result of close and careful inquiry—(quoted in Sir B. H. Baden-Powell's Land Systems of British India, Vol. III, p. 72) comparing the rates of assessment obtaining in different Provinces of British India:—

Province.	Three heaviest assessed districts, rate per acre.			Three lightest assessed districts, rate per acre.		
	I.	II.	III.	I.	II.	III.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
N. W. P. ...	2 8 0	2 7 4	2 6 9	1 3 9	1 1 10	0 10 [illegible]
Oudh	2 5 9	2 5 6	2 5 5	1 7 0	1 3 4	1 1
Punjab ...	1 15 6	1 13 6	1 11 9	0 7 8	0 5 10	0 3 5
C. Provinces	0 11 6	0 11 2	0 9 10	0 4 0	0 3 11	0 2 9
Bombay *	4 3 3	3 6 4	3 6 0	0 8 1	0 7 5	0 7 1
Madras ...	3 11 1	2 13 7	2 13 0	0 14 3	0 11 8	0 11 2

* The figures for Bombay are for both Ryotwari and other tracts; for Ryotwari alone they are as under for 1898:—

Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
5 9 0	5 2 3	4 13 5	0 10 4	0 9 1	0 9 0

The above is a most suggestive table, and shows at a glance how high is the general level of assessment in this

Presidency, as compared with other Provinces. While the highest rate in the heaviest assessed of zillas is Rs. 3-12-1 in Madras, Rs. 2-8 in the N.W. Provinces, Rs. 2-5-9 in Oudh, Re. 1-15-6 in the Punjab, and just annas 11-6 in the Central Provinces, in Bombay it is Rs. 4-3-3, or (taking the Ryotwari tracts alone) Rs. 5-9-0. Thus, the Bombay rate (Ryotwari) is about 50 per cent higher than in Madras and nearly three times the rate in the Punjab—provinces both under an identical system of land settlement.

But even these assessment figures—striking as they are—scarcely convey an adequate realistic conception of the actual working of our land revenue system and its pressure. And it seems necessary—if we desire to get at the *terra firma* of facts on which to base our conclusions—to go behind them, and descending to local details, endeavour to ascertain how the burden distributes itself over local areas, and where, if anywhere, and how it presses unequally or inequitably. Wearisome figures and figured tables will have to be submitted for a proper presentation of the case, and I would respectfully appeal to you and your readers for special indulgence in the matter.

In regard to assessments and their incidence on cultivated acreage, the different districts of the Presidency may be arranged in three groups, thus :—

Group.	Districts comprised in each group.	Total cultivated area in lakhs of acres.	Total assessment in lakhs of Rupees.	Incidence of Land Revenue per acre.
				Rs. a. p.
I.—*Gujerat*...	Broach, Surat, Kaira, Ahmedabad and Panch Mahals	16·65	68·32	4 1 7
II.—*Konkan*...	Canara, Kolaba, Thana, Ratnagiri (Ryotwari)	11·04	32·32	2 14 6
III.—*Desh*.....	Khandesh, Dharwar, Belgaum, Satara, Nasik, Poona, Nagar, Bijapur, and Sholapur	151·86	146·25	0 14 5
3 groups...	18 Districts Total	179·55.	246·89	1 5 11

Thus, the average incidence of land revenue per acre of cultivated area for the whole Presidency is Re. 1-5-11, varying from Rs. 4-1-7 in Group I to annas 11-5 in Group III. The variations exhibit a wide range, and it is desirable to take each group by itself, and see how the incidence works out district by district. We will begin with Group I :—

Group I (*Gujerat*).—The group represents a zone of high assessments, exhibiting an average incidence of Rs. 4-1-7 per acre of fully assessed cultivated area. The acre incidence varies from Rs. 5-9 in Surat to Rs. 1-1-9 in the Panch Mahals. We have no doubt here a favoured region of high fertility and great natural advantage, but the scale of assessments, as will be seen on reference to table B, as below, as crushingly heavy. Taking the dry crop rates alone, we see they range as high as Rs. 9-8-6 in Broach, Rs. 7-8 in Surat, and Rs. 6-12 in Kaira—rates no-where exceeded or equalled or even approached in British India. It is only when we pass from the rich cotton and wheat fields of Broach, the Charotar of Kaira, the Chorasi and Olpad Talukas of the Surat Collectorate, to the lighter soils and poorer crops of Ahmedabad and the Panch Mahals that we find any lowering of the rates. Even here the rating is high enough, and it is owing to the sterile sand and salt marsh soils of the coast tracts, and the occurrence of *Mâl* lands in Kaira and the Panch Mahals—that the average incidence for the whole group works out so low as Rs. 4-1-7.

Table A.—*Land Revenue Incidence* per acre of cultivated area.

District.	Cultivated area in lakhs of acres.	Assessment in lakhs of Rs.	Incidence in Rs.		
			Rs.	a.	p.
Surat	3·94	21·9	5	9	0
Broach	3·78	19·4	5	2	3
Khaira	3·10	15·0	4	13	5
Ahmedabad	3·82	9·7	2	8	8
Panch Mahals	2·00	2·2	1	1	9
Total...	16·64	68·2	4	1	7

Table B.—*Scale of Assessment*: Existing rates in a Taluka to illustrate the rating in each Zilla.

District—*Taluka*		Dry Crop rates.			Rice or soil and water, combined rates.		
		Rs.	a.	p.	Rs.	a.	p.
1 Broach	...max.	9	8	6	9	2	0
Broach.	...min.	1	4	6	7	14	0
2 Surat	...max.	7	8	0	13	8	0
Chorasi.	...min.	6	0	0	11	0	0
3 Kaira	...max.	6	12	0	11	4	0
Nadiad.	...min.	2	14	0	4	10	0
4 Ahmedabad	...max.	2	8	0	6	0	0
Dholka.	...min.	1	2	0	4	0	0
5 Panch Mahals	...max.	2	8	0	3	15	0
Jhalod.	...min.	1	6	0	1	8	0

Group II (*Konkan*).—Here we come to the thin-soiled, rocky slopes of the Western Sahyadris. The rainfall here is plentiful and certain; but the soil is generally poor, excepting small areas of rich rice and garden land, and yields but an indifferent return to labour; and yet the average incidence works out as high as Rs. 2-14-6, varying from Rs. 4-2-7 in Canara to Re. 1-12-9 in Ratnagiri.

Table A—*Land Revenue incidence* per acre of cultivated area.

District.	Cultivated area in lakhs of acres.	Assessment in lakhs of Rs.	Incidence in Rs. per acre of cultivated full-assessed acre.		
			Rs.	a.	p.
Canara.....	2·36	9·84	4	2	7
Kolaba.....	2·27	9·29	4	1	4
Thana.....	5·23	11·10	2	1	11
Ratnagiri (Ryotwari).....	1·16	2·09	1	12	9
Total...	11·0	32·3	2	14	6

Rice is the staple crop; in Canara garden produce is important. The total area under garden crops in the groups is just 3 per cent of the aggregate cultivated area. The garden rates are as high as Rs. 15 in Dapoli in Ratnagiri, Rs. 14 in

Canara, and Rs. 12-10 elsewhere. The rice rates are lower; still they range from Rs. 8 in Pen in Kolaba to Rs. 5 in Canara. High, however, as is this scale of rating, the average incidence of land revenue on fully assessed cultivated acreage comes to Rs. 2-14-6, or, say, about Rs. 3—a comparatively low figure—which is due to the inclusion of large *Varkas* areas —assessed at from Rs. 3 to annas 8—and which yield only grass or rab or coarser grains.

Table B.—Group II. Konkan.—*Scale of assessment.* Existing taluka rates to illustrate the rating in each zilla :—

District—*Taluka.*		Rice Crop.			Garden rates.			Rate and *Varkas* combined.		
		Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
1 Canara	Max.	5	0	0	14	0	0	1	0	0
Yellapur ...	Min.	3	8	0	12	0	0	0	8	0
2 Kolaba	Max.	8	0	0	12	0	0	3	0	0
Pen	Min.	5	8	0	10	0	0	1	0	0
3 Thana	Max.	7	0	0	.....			2	12	0
Kalyan	Min.	5	0	0	.....			1	6	0
4 Ratnagiri ...	Max.	8	0	0	15	0	0	3	0	0
Dapoli	Min.	4	0	0	6	0	0	0	12	0

Group III (*Desh*).—We come, lastly, to group III. It is the largest of the three groups. It is on the whole a zone of inferior agricultural resources. The soils vary largely from the rich black alluvial of the central belt of Khandesh and the fruitful *beilu shime* (black soils) of Dharwar to the red sandy soils of Badami and Bagalkote in Bijapur and the poor red and gray soils of Poona and Sholapur. The rainfall is generally insufficient, in most parts uncertain and variable, and the water supply is far from ample. About 5 per cent of the cultivated area is irrigated (=7½ lakhs of acres—5½ from wells and tanks). A lakh of acres is under garden crops (=105,000 acres), and the rice area in the whole group measures no more than 5 lakhs. The average land revenue incidence is annas 14-5 only. But the scale of rating is not correspondingly low, as will be seen from table B below :—

Table A.—Incidence of Land Revenue per acre of cultivated area.

Zilla.	Total cultivated area in lakhs of acres.	Total Assessment in lakhs of Rs.	Incidence per acre of fully-assessed and cultivated area.		
			Rs.	a.	p.
1 Khandesh ...	26·56	37·65	1	6	8
2 Dharwar... ...	13·59	19·23	1	6	8
3 Belgaum ...	8·84	11·02	1	3	11
4 Satara	12·97	15·44	1	3	0
5 Nasik	15·98	14·09	0	14	0
6 Poona	13·69	12·05	0	14	0
7 Nagar	23·28	15·06	0	10	4
8 Bijapur	18·17	11·19	0	9	1
9 Sholapur... ...	18·77	10·52	0	9	0
Total...	151·8	146·2	1	14	5

Table B.—Scale of assessment (Group III)—existing rates in a taluka, to illustrate the general rating in each zilla :—

District—*Taluka*.	Max. and Min.	Dry crop rates.		Rice rates.	
		Rs.	a.	Rs.	a.
Khandesh	Max.	3	0	10	0
Chalisgaum	Min.	2	0	8	0
Dharwar	Max.	3	0	9	0
Dharwar	Min.	1	4	7	8
Belgaum	Max.	2	10	9	0
Sampagaum	Min.	1	8	8	0
Satara	Max.	3	8	9	0
Koregaum	Min.	3	0	...	
Nasik	Max.	2	0	5	0
Chandore Dindori ...	Min.	1	4	...	
Poona	Max.	2	8	9	0
Khed	Min.	1	0	5	0
Nagar	Max.	2	4	8	0
Akola...	Min.	1	4	...	
Bijapur	Max.	1	4	8	0
Badami	Min.	1	2	...	
Sholapur...	Max.	1	6	8	0
Sholapur	Min.	1	2	...	

N. B.—The figures for all the three groups are for 1898-99, and are quoted from the General Administration Report for that year; and the assessment rates for the various Talukas, underlined in the tables, are extracted from the Revision Settlement Reports relating thereto.

The rates here, no doubt, start at a lower level than in group I or II—evidently on account of inferior agricultural conditions. Still even so, they exhibit a considerable range. The dry crop rates are as high as Rs. 3-8 in Koregaum in Satara, Rs. 3-4 in Bhusawal and Jalgaum in Khandesh, and after large variations fall down—as the poorer soils of Bijapur and Sholapur are reached—to Re. 1-6 and Re. 1-2. Rice, here, is not an important crop, occupying but a bare 3 per cent of the total cropped area, but the rice lands are highly assessed—at rates varying from Rs. 10 per acre in Khandesh to Rs. 3 in Sholapur. The average land revenue incidence for the whole group is just annas 14-5, *i.e.* even lower than the lowest minimum dry crop rate.

The most noticeable feature of the statistics put together in the fore-going tables is the remarkable disproportion they reveal in all these groups as between the scale of assessments imposed on the one side, and their comparative low average incidence on the assessed acreage on the other. The rates are as high as they well could be, and are higher than anywhere else in British India, and if their actual incidence comes out so low the reason must clearly be sought—not in the vaunted "moderation of our assessments," for no such moderation exists as a matter of fact—but in the comparative agricultural inferiority of the areas assessed.

The Hon. Mr. Muir-Mackenzie assures us that our Bombay rates are far lighter than those in Madras. The rates, thus, compare:—

(1) As regards *dry crops*.—In *Madras* the range is from Rs. 5 (which is the highest rate imposable for first class soils) to annas 8, and from Rs. 2-8 to annas 4. In *Bombay* the scale begins with Rs. 9-8-6 as the maximum rate for the richest soils, and, after endless variations, drops down to Re. 1 as the lowest rate for the worst.

(2) As to *wet crops*.—The Madras rates vary from Rs. 12 to Rs. 4 and from Rs. 7 to Rs. 2—as applicable to both rice and garden lands. In Bombay the *rice* rates range from Rs. 13-8 to Rs. 3; the *garden* rates are as high as Rs. 15, Rs. 14, Rs. 12—the lowest rate being Rs. 6.

For Madras rates *vide* Baden-Powell's Land Systems of British India, Vol. III, pages 70-1.

This is the silent reply of facts to the Chief Secretary to Government's assurance about the comparative lightness of our assessments, and when it is added that the Madras rates are heavier than those of the Punjab and other Provinces, it is clear how our Bombay rates press heaviest, and that, too, be it further borne in mind, under soil and climatic conditions which mark out the Presidency as being, in the main, agriculturally speaking, the worst and poorest Province in the whole Peninsula.

A closer study of our present system of assessments and its working results will disclose yet more striking and surprising facts. For here, we find, assessments are imposed on all soils—soils of every conceivable degree of fertility and natural advantage, from the richest soils of the Central Charotar of Kaira to the poorest soils on the Satpura or Sahyadri slopes, and not a rood of land, not even a patch of grass, escapes the eye of the settlement officer, and goes unassessed, excepting of course, the bare, bleek, barren wastes. Good lands and bad lands alike come in for assement—lands that pay and lands that do not and never can pay for their cultivation. The *Tisali* and *Kumri* lands on the Sahyadri fringe—lands which cannot possibly yield any profit to any amount of labour, and are cultivated merely for subsistence,—are appraised and assessed equally with the spice gardens of Canara and the rich cotton soils of Dharwar; and it is not always possible to understand the exact principle on which such assessments are imposed. The whole point is worth carefully looking into; and we may examine the present rating under its usual heads, *viz.*,—(1) *dry crop rates*, (2) *rice rates*, (3) *garden rates*, and (4) rates on *irrigational* facilities (especially sub-soil water advantage, *Dhekudiat* irrigation and *Patusthal*). Let us take *dry crop* first.

Our assessed cultivated areas, broadly speaking, fall into two main divisions :—

(*A*) Areas that pay, including (*a*) lands which, under proper tillage, yield an economic return to the labour and capital employed on them, such as, for instance, the rice and garden lands of the Konkan, the wheat fields of the Tapti Valley in Khandesh, or the cotton soils of Dharwar; and

(*b*) lands which are on the economic margin, paying just the wages of labour, and the interest on capital but little more, *e. g.* the new rabi lands in the Konkan districts (as recently classified).

(*B*) Areas that do not pay, comprising (*a*) lands which are just below the economic standard yielding to the cultivator a full year's subsistence, and in fair seasons some poor return to capital but nothing beyond, *e. g.* lands such as we meet within the Sangola and Malsiras sub-divisions of the Sholapur collectorate; and (*b*) lands which are worse—worse even than the worst lands in cultivation of the political economists—lands, which scarcely yield to the labour in normal seasons even the necessaries of life—such as, for instance, the *Varkas* lands of the Konkan districts or the *mâl* lands of the Desh districts. The cultivator takes up such lands in the hope of extracting from them a few months' food and little more. These cultivated areas represent what may be designated as a non-economic expansion of tillage to which poor, hard-pressed population is driven for want of other and better means of subsistence owing to the disintegration and collapse of non-agricultural industries in the country.

It is not possible to accurately estimate, with the data at present available, the precise extent of each of these two groups of cropped areas. The land valuation of the Survey Department, as carried out for assessment purposes, on the joint report rules, no doubt afford much valuable help in the matter, but it, too, is defective inasmuch as it goes chiefly on the bases of depth, colour and composition of the soils. It takes little account of the sub-soil layers, and besides does not proceed on any chemical soil analysis, nor takes into consideration the chemical soil-deterioration that is at present taking place, according to all expert testimony, all over the country under our present exhausting system of continuous, unmanured cropping. As a rough estimate, however, and judging from the soil classification of the various tracts such as we have in the Settlement Reports, we may not be far wrong, I think, if we put these areas as under:—

A.—Paying areas—at between 2-3rd and 3-5th, and B.—Non-paying areas—at between 1-3rd and 2-5th, of the total cropped acreage. The non-paying areas are, of course, wholly dry-crop, wet-crop lands, as a rule, paying for the cultivation; and I submit we should be justified in including in such all those cropped areas, the soil valuation of which under a dry

crop maximum of Re. 1-8 and Re. 1 is below 4 or 5 annas. It is this non-paying cropped area that requires our closest attention, and it is to this, therefore, we will first address ourselves. Among such lands, we have for instance, (1) lands which are capable of being continuously cropped from year to year, *e. g.* the soils of the Deccan uplands; (2) lands requiring frequent fallows after cropping, *e. g. Varkas*; (3) lands usually left fallow for grazing and rab, and held as an adjunct to rice and garden lands, *e. g. Varkas.*

As instance of (1) lands we have the following:—

(*a*) In the *Khed* taluka of Poona zilla, there are some 37 villages with an aggregate cultivated area of 25,032 acres, assessed under a dry crop maximum rate of Re. 1-8 to Re. 1 at Rs. 4,589, or at about annas 2-11 an acre; the soil valuation barely coming up to a trifle over 2½ annas. (Vide *Khed* Revision Settlement Report, App. Q., pages 188-9). (*b*) So again, in the *Man* taluka of Satara district, there are 33 villages (groups III and IV) having an aggregate occupied area of 1,10,598 acres, assessed at Rs. 27,525, under dry crop maximum rates varying from Re. 1-2 to Re. 1, *i. e.* at about 4 annas an acre, the soil classification being in no way higher. (Vide *Man* Revision Settlement Report, App. Q., pages 58-9.) (*c*) Similarly, in the *Sangola* sub-division of Sholapur zilla, we have a group of 53 villages, having a total area of 1,05,300 acres under dry crops, assessed under dry crop maximum rates of annas 15 and 9, at Rs. 23,354, or at annas 3-6 per acre. (Vide *Sangola* Rev. Settlement Report, App. Q., pages 28-29.)

As regards the taluka generally, Mr. Pitt, the Survey Superintendent, remarks: "The soil is for the most part poor and shallow, and there is a good deal of land which is of scarcely sufficient capacity to yield a profitable return by cultivation." (Para. 10.) And, in the General Administration Report for 1892-93 (page 193) we read about the sub-division:—"Its principal crop is the late or rabi crop, and this crop depends of the N. E. monsoon, which does not always travel so far west. The soil is generally poor and shallow, so much so that in the group now rated at a maximum of Re. 1-2, the average assessment per acre, including garden, is just over 4 annas. It is more suited for sheep pasture than for arable farming."

As instances, next, of (2) lands requiring fallow after cropping, we have:—

(*a*) The *Varkas* lands of the Rajapur taluka of the Ratnagiri collectorate.—"The soils," remarks Colonel Godfrey, "in general are red, gravelly, and of a poor description, and require for *Varkas* cultivation a good many years of fallow" (para. 9); and in para 41, "I calculate that the average proportion of fallow to cultivated *Varkas* is as follows:—

	Crop years.	Fallow years.
For Superior *Varkas* ...	3	3
,, Medium ,, ...	2	5
,, Inferior ,, ...	2	8
	7	16
Average	2	5

Thus about two-fifths of the arable area of *Varkas* is capable of cultivation each year." Besides, much of the arable land is kept fallow for grass and rab, and much less than two-fifths is cultivated yearly. Mr. Stewart, the Survey Commissioner, (page 39) points out, "These lands when cultivated produce two and sometimes three annual crops. The crops are of varying kinds and profits, and after each period of cultivation a fallow of from three to nine years is necessary."

Such are the *Varkas* lands of Rajapur. They measure 1,52,900 acres in the taluka, assessed at Rs. 33,460, or annas 3-6 an acre under dry crop maximum rates Re. 1-4 and Re. 1.

(*b*) The *Kumri* and *Tisali* lands in the Patan talukas of Satara.—These are hill-side lands requiring three years to eight years fallow after three years cropping. They are described in Government Resolution No. 1069 of February 8, 1895, as being "of poor quality, which only yield crops of coarse grain once in a certain number of years, the period of fallow in the case of *Tisali* being usually three, and in the case of *Kumri*, ten years, and which are found in villages at the heads of valleys or on the slopes and plateaux of hills, classed at the original settlement under special rules known in recent years as the Kolhapur Hill Rules." "I would beg to remark," writes Mr. Pitt on the same point, "that *Tisali* lands are brought under cultivation once after three years while *Kumri* lands are cultivated once in eight or ten years. The grain grown is of the poorest description, and because the lands require a fallow after a stated number of years, a difference has been made in the scale of classification, the highest value of which for *Tisali* is 5 annas and for *Kumri* 3 annas."

These lands in the Patan Taluka measure 56,183 acres assessed at Rs. 11,594, or at the average rate of annas 3-4 per acre. (*Vide* Rev. Settlement Report, pages 38-9, App. Q)

The total acreage of such *Tisali* and *Kumri* lands in the Wai, Jawali, Karad, Valva, Patan, and Satara talukas of the Satara Collectorate is 173,550 assessed at Rs. 41,735, or at 4 annas an acre approximately. (*Vide* these Revision Settlement Reports, App. Q.).

The same remarks apply equally to the *mâl* lands of the Deccan which, as Mr. Turnbull observes, "do not materially differ from *Kumri* and *Tisali* except perhaps in requiring a year or two less fallowing, and which are classed at the same classification values." (*Vide* Patan Revision Settlement Report, page 53).

Lastly as a striking instance of (3) lands on which no crop is grown, we have in the Canara Collectorate, in the Yellapur taluka, a large acreage so assessed. (*Vide* Revision Settlement Report, page 2).

Government occupied land classed as under :—

Dry crop	...	...	...	2,745 acres
Rice ...	...	...	...	9,344 ,,
Garden	...	...	...	2,322 ,,

Of this nearly 26 per cent is yearly left fallow. This absorbs nearly the whole of the dry crop land and part of the rice ; and we are further told : "dry crop land is seldom used for growing crops ; it is generally left fallow for grazing." And yet it is appraised and classed as *dry crop* land, and bears an assessment of Rs. 845, or at annas 4-11 an acre!

Such lands as those instanced above represent what may be called a zone of *non-economic* cultivation. There is here no adequate return to labour, and absolutely no margin of surplus profits. *Kumri* or *Tisali*, *Varkas* or *Mâl* land which only produces crops of coarse grain of the poorest description, and which, besides, requires after two or three years' cropping five to eight years' fallow, cannot possibly pay, *i.e.* yield anything beyond what is barely enough for the replacement of seed and the maintenance of the labourer and his family—if even that much.

The precise extent of such areas in the Presidency is uncertain. But taking all these varieties of non-paying lands, *viz.* the sterile and exhausted soils like those of Sangola or

Khed, the *Varkas* lands of the Konkan, and the *Kumri* and *Tisali* and *Mâl* lands of the Deccan, it may not be, I think, far wide of the mark if we put it at between 50 to 60 lakhs of acres, and the number of holdings comprised in such areas at between 2½ and 3 lakhs *i.e.*, 30 to 40 per cent of the total number of small holdings in the Presidency averaging from 5 to 25 acres.

In the case of these lands, farming is all *subsistence* farming *pure et simple*; and the ryot, who has nothing else or better to turn to, is content if he is able to scratch off his acres enough to live on for part, if not for the whole, of the year. Even in good seasons he does not get enough to enable him to pay his assessment and maintain himself and his family all the twelve months of the year. Usually, after the harvest is over, he goes to some neighbouring town and works as a labourer till the return of the monsoon calls him back to his acres; and it is out of these extra earnings that he pays his assessment and meets his other liabilities. When at times, this extra resource fails him, he goes to the Sawkar and borrows, and his debts begin. And if seasons of deficient rainfall, drought, and famine follow in such disastrous succession as during the past decade, his borrowings grow and accumulate, and he is hopelessly embarrassed. Even so, will the Hon. Mr. Monteath come down upon him, and charge him with thriftlessness and extravagance?

The holders of such lands are among the poorest of our ryots, and are about the greatest sufferers under our present revenue system. Not only are there lands assessed—which ought never to be assessed—and assessed at considerably heavy rates, but even large enhancements have been in recent revisions most unjustly imposed on them, both in the Konkan and Deccan Zillas.

The very assessment of these absolutely *non-paying* lands—which are as bad as, or even worse than, the "worst lands in cultivation" of the political economists—not to mention recent enhancements on revision—suggests a question of principle of the utmost importance. Is the assessment imposed *tax*, or rent, or more than either? Surely, it is no *rent*, for the lands are simply incapable of yielding any such; much less is it a tax, which is properly a portion of such rent. It is emphatically a deduction from what is not even enough for the ryot's subsistence—a substantial portion sliced away from his scanty and precarious food-supply which ought never to be touched.

The Madras code lays it down as a "standing order" that the assessed revenue is in no case to exceed one-half the *net* produce after deducting expenses of cultivation, etc. And, indeed the half-net-assets principle is the regulating principle of assessment in all other Provinces. The Court of Directors' despatch of December 17, 1856, lays it down that "the right of Government is not rent which consists of all the surplus produce after paying the cost of cultivation and the profits of agricultural stock but a land revenue only, which ought if possible to be so lightly assessed as to leave a surplus or rent to the occupier." In 1864 Sir Charles Wood re-affirmed this principle, and went beyond the Court of Directors by fixing 50 per cent of the net produce as the amount claimable by the State. These assurances and declarations of 1856 and 1864 have never been withdrawn by any competent authority, and are still in force.

In Bombay, however, these solemn declarations of land revenue policy appear to be so far a dead letter. For in the case of those *non-paying* cultivated areas there is no question of net produce or net assets or surplus profits—*ex-hypothesi*, and as a matter of fact, they yield none such—and their assessment, and at such heavy rates as Rs. 3, Rs. 2, Re. 1-8, and Re. 1-2 is, I submit, opposed not only to the principles of political economy but to the solemn declarations of policy and positive instructions of the India Office.

This, however, opens up a large question of a controversial character, and I would reserve it with your permission for another occasion.

THE BOMBAY REVENUE PROBLEM.*

V

As your readers will remember, the Bombay official witnesses before Sir A. Macdonnell's Commission one and all strenuously maintained the view that the land revenue demand on this side of India was exceedingly moderate, and even light, and had no bearing whatever on the increasing frequency or intensity of famines during recent years. If the Bombay ryot, even so favoured and lightly taxed, showed such pitiable helplessness during the late famine, it was entirely due to his own incurable habits of reckless living. I trust I have shown in previous letters that such a view of the position, however comforting to the official mind, is altogether at variance with the facts. The pressure of our land revenue assessments, whether measured in respect of their incidence on population or cultivated acreage, is unduly excessive, and is about the heaviest in British India, and that, too, under conditions which mark out this Presidency as being, from an agricultural point of view, the poorest and least favoured Province in the Peninsula. And I contend it is to the exceptionally severe pressure of land revenue, mainly, if not exclusively, that we must in fairness and candour ascribe the ryot's difficulties. To assert, as Mr. W. P. Symonds, our accomplished Survey Commissioner, did in his evidence before the Famine Comission, that even such an excessively heavy State demand on the land has and can have no effect whatsoever in sapping his resourcefullness and resisting power, is, I submit, with all due deference to the head of the Survey and Settlement Department, to cast to the winds the plainest teaching of experience.

The land revenue assessments with us, as shown on a previous occasion, start altogether at a higher level than elsewhere, and take a wider sweep, ranging from Rs. 9-8-6 for dry crop per acre in Broach to a trifle over one anna per acre for the *mâl* lands in the Sheogaum taluka of the Nagar Collectorate, so that not even the poorest lands escape. And further, they weigh all the more heavily, particularly on the poorer classes of cultivators, because of the comparative general inferiority of our soil and climatic conditions. Both the cropped

* This letter appeared over the signature 'J.' in the *Times of India* dated 17th May 1901.

areasin reference to population and the average size of holdings are larger in this Presidency than anywhere else, excepting the Central Provinces. Taking the latest figures, we find the cropped area per 100 inhabitants in 1898-99 was 156 acres in Bombay, as against 118 acres in the Punjab, 74 acres in the Bengal, 72 acres in the North-West Provinces, 67 acres in Oudh, and 64 acres in Madras. In the Central Provinces it was 160 acres. So, too, is the average size of our holdings comparatively larger. It is for the Presidency proper—taking only Government ryotwari lands—about 20 acres with an average assessment of Rs. 25-2, varying from 46 acres 19 gunthas in Sholapur, the poorest and driest of our zillas, with an average assessment of Rs. 23-11-3, to 6 acres 29 gunthas in Kaira in Gujerat assessed at Rs. 25-14-9. In Madras, the average size of ryotwari holdings is about 7 acres, with an average assessment of Rs. 14-3.

Mr. A. Rogers, formerly of the Bombay Civil Service, with whose criticism of the Madras land revenue system and its working we are all familiar, condemns the Madras assessments as being oppressively severe—a condemnation in which competent observers concur. But oppressive no doubt as they are, these Madras land revenue assessments are lower than ours, and besides, there is a liberal system of yearly remission granted on an annual *jamabandi*. These remissions are either *fixed or occasional*,—*fixed*, such as those granted for reclamation of waste or on irrigated rates where the water is obtained by lift, not by flow, or for repair of tanks or wells; or *occasional*, such as those allowed for crops withered by failure of water or blight, for crops destroyed by floods, or for loss of produce or partial loss of crop owing to causes beyond the ryot's control, or again, when there is a wet assessment and no water has been obtained and a dry crop only has been raised, or where land is assessed to two crops and one fails. On our side, and under our scientific system, the ryot's claim to such relief, even in seasons of calamitous drought and crop failure, is peremptorily denied, and happen what might, whatever the extent of his loss of cattle or crop, he is held to be bound, in spite of the crushingly heavy assessments to which he is subjected, to meet the land revenue demand in full as a legal tenant of the State landlord as long as he has "the means to pay." Mr. Maconochie, Collector of Sholapur, speaking in reference to the point, and with a full knowledge of the most distressed zilla in the Presidency, did not hesitate to express as his deliberate opinion to the Famine Commission that if such remissions and suspensions were recog-

nised by Government as part of their policy, our assessments ought to be "a good deal higher." And, indeed, a good deal higher and heavier they must be, if it were intended to turn the Presidency into an agricultural Sahara!

But to resume our inquiry into the existing system of assessment rates and their practical working, the question suggested in my last letter in regard to the assessment of non-paying cropped areas is of considerable practical importance and requires to be more fully dealt with. These non-paying areas cover in their aggregate a third, or thereabouts, of the total cultivated acreage in the Presidency, and embrace no less than 30 to 40 per cent of the total number of our smaller holdings. They include lands such as these—

(*a*) *Pot-kharab* lands, as in Sholapur, for instance.

(*b*) *Terraced hill slopes*, as, for example, in the western parts of Ahmednagar.

(*c*) *Mâl* lands, as in parts of Bijapur.

(*d*) *Kumri* or *Dahali* and *Tisali* lands, as in Satara, Nasik, and Belgaum.

(*e*) *Varkas* lands, as in the Konkan districts.

(*f*) *Exhausted lands* and agriculturally *worthless soils*, as in several parts of the Deccan.

These lands are admittedly below the minimum economic level, and constitute, so to speak, a broad belt of non-profitable subsistence farming, to which a struggling rural population is, under stress of a hard, abnormal economic situation, driven for bread. Here, we find, not only large extents of waste lands—originally left out as unarable, but since reclaimed, as a result of the ryot's industry and enterprise—brought under regular assessment, notwithstanding the legislative guarantees contained in the Land Revenue Code against the taxation of private improvements. But what is yet more striking in regard to these non-paying areas generally is that considerable enhancements have been imposed on many such in recent revisional settlements. Such enhancements so imposed are, as a rule, justified mainly on the ground of a general "advance in material prosperity," as evidenced by increase of population and houses, live-stock, ploughs, and carts on the one side, and by a rise of prices of agricultural produce and values of land on the other. The misfortune is, that in such appraisement of the general

"material advance," two most determining factors, as effecting the economic condition of the rural classes are ignored, *viz.*, (1) the soil deterioration that is fast proceeding all the Presidency over under our present system of continuous unmanured cropping, resulting in a continually diminishing return to agricultural labour; and (2) the gradual closing up of most of the non-agricultural outlets for surplus labour, throwing on the soil the entire unrelieved pressure of an advancing population, and which has the effect of stimulating a most unhealthy competition for land, and thereby raising both rents and sale and mortgage values of land. The economic position being thus imperfectly appreciated and misjudged, undue advantage is, almost unconsciously, taken of the ryot's difficulties and struggles, and his burdens are enhanced, in most parts of the Presidency, almost to the breaking point, and in some districts it is to be feared, even beyond it!

Some illustrations of such assessments and their enhancements on revisions were given in my last letter, but the whole point is sufficiently important and may be worked out in somewhat ampler detail. We will begin with the *Pot-kharab* lands *i. e.*, lands included at the original survey in occupied holdings and left unassessed as being of no agricultural value, lands usually used for grazing or *rab* supply, and occasionally for the growth of a light cereal or fodder crop. Ever since the revision settlement operations commenced in 1866-67, large areas of such lands have been classed as cultivable, and subjected to regular assessment in several parts of the the Deccan and elsewhere. In the Sheogaum taluka of the Nagar zilla, revised in 1885, over 9,000 acres thrown out at the original survey by the classers as unarable, but found to have been since brought under some sort of cultivation, were classed as "arable" and assessed (*Vide* Revenue Settlement Report p. 25). So, again, in the Akola subdivision of the same Collectorate, re-settled in 1886, a *Pot-kharab* area of about 11,000 acres was put down as cultivable, and assessed according to soil-valuation (*Vide* Revenue Settlement Report p. 59). Similarly in the revised settlement of Karmala and Madha in Sholapur zilla, the assessment was largely enhanced by the inclusion of such *Pot-kharab* lands under the cultivable head.

Such reclamation of waste areas included in survey numbers is evidently the result of the ryot's industry, and as such, an "improvement" entitled to exemption under the Land

Revenue Code. And at one time the Local Government inclined to the view that such lands should be exempted from assessment, and a Government Resolution No. 5739 of October 29, 1874, notified such exemption in these terms:— "His Excellency in Council . . . attaches such great importance to maintaining strictly the principle enjoined by law of non-assessments of improvements made by private enterprise that he is pleased to direct that the same area shall be deducted from each number as unassessed as was allowed at the original settlement." Subsequently, however the concession had to be with-drawn under orders from the Government of India; and now, the standing rule of the Survey Department is to valuate, class, and assess such lands wherever met with, the law against non-taxation of improvements notwithstanding—and independently of the consideration whether such lands are capable of yielding any economic return.

A still more glaring instance of the taxation of the ryot's improvements is supplied by the Akola sub-division of the Nagar Collectorate. This taluka lies in the north-western angle of the zilla, and is for the most part hilly and rugged. "Much of the land in the more hilly parts," writes Mr. Jopp, Assistant Collector in-charge, "has been created by terracing the hill sides or building bunds across *nalas*." Bullocks cannot be used for these steep hill-side lands, and the tillage is almost entirely by hand. Thus, the whole work in these lands—and they form a large portion of the whole cultivated acreage of the taluka—from the impounding of soil by "*tals*" or embarkments to the raising of the crops, is entirly the work of the ryot's hands. Here, if anywhere, is a distinct recognisable "improvement" under the Land Revenue Code, and yet no exemption is allowed. When the Revenue authorities inquired what was done in the revision operations, "to avoiding taxing such improvements," the Survey Commissioner assured Government that a reduction in soil-valuation was duly allowed in the case of these lands, and Government approved of his action (*Vide* Revenue Settlement Report, pp. 34 and 38). The whole area so cultivated in this hilly taluka is of course a non-paying area, yielding but scanty crops, and besides, what agricultural value it possesses it owes exclusively to the ryot's labour, both strong grounds for total exemption, and yet, under our existing system, it comes in for full assessment, and on revision the assessment is largely enhanced. The sanctioned revised rates for the taluka are Rs. 2-4 to Re. 1-4 in place of the old Rs. 2 and annas 15 rates, and the total assessment of

the taluka has been raised from Rs. 39,748 to Rs. 47,338—an increase of Rs. 7,590, or 19·1 per cent. (*Vide* Revenue Settlement Report p. 13).

To pass on to the next sub-head of *non-paying cultivated area*, namely, *Mâl* lands. These are to be met with in extensive stretches all over the Deccan. They are for the most part thin soiled hill-slopes or rolling uplands, and when capable of cultivation give but a scanty yield, besides requiring long fallows. It is only under the extreme pressure of population that tillage descends to such uninviting areas. They do not and can never pay. And, yet, under our present system, they are regularly surveyed, classified, and assessed; the underlying principles of assessment being that every bit of land, whether it is with or without soil upon it,—be it the variest *katal* of Ratnagiri or the storm-swept *pullân* of Deogad,—is part of the vast State's domain, and must contribute its quota according to its agricultural value, whatever it be, to the land revenue of the Empire. The State, as universal landlord, is entitled to exact its due in full, whether the ryot is able or not to get anything out of the acres he holds. Such *mâl* lands occur, for instance, in the Shrigonda taluka of Nagar, Junnar taluka in Poona, Igatpuri in Nasik, and Bagalkot in Bijapur. In taluka Junnar, where the land is not too steep, the plough is used, but in many places the land is dug up by hand and long fallows obtain. In Igatpuri, these *mâl* lands are left fallow after three or four years' cropping and the duration of fallows varies from three to five years. In Sheogaum in the Nagar zilla these *mâl* lands are about the poorest. In the revision settlement of the taluka (carried out in 1885) they were formed into a distinct class—denominated the 10th class, value one anna at the bottom of the 9th class scale of the Joint-Report rules, and assessed under a uniform maximum rate of Re. 1-2. The Survey Commissioner writes on the arrangement thus:—

"It might be argued that land such as is represented by the 10th class might be left out of independent valuation at all, but when the extent is considerable, and we know from experience that the produce of unassessed lands when sold by auction fetches a mere song from combination and other causes, it seems advisable to give the land whatever minute valuation it can bear and allow it to be permanently occupied. Such land is in considerable demand where the pasturage area has been decreased by extension of cultivation, and if joined on to a large holding, may be made a source of real and appreciable

profit." (*Vide* Revision Settlement Report, p. 81). It is thus the *potential*—not the *actual*—value of such lands as *in posse* not *in esse* grazing reserves that is taxed. Whether the ryot utilizes the advantage, and if he does, to what extent, it is not the business of the Settlement Department to inquire. The natural productive capability of land, whatever it be, once ascertained, the assessment of it to the land revenue of the State according to the rules follows as by a law of nature.

The next sub-head of non-paying areas, *viz.*, the *Kumri, Tisali, and Dahali lands*, need not detain us long. These lands occur in the western parts of most of the Deccan zillas abutting on the East Sahyadris from Nasik in the north to Belgaum in the south. The *Tisali* lands are brought under cultivation once after three years; while *Kumri* and *Dahali* lands are cultivated once in five or six years. The grain grown is of the poorest sort. The highest soil value for *Tisali* lands is 5 annas, for *Kumri* and *Dahali*, 3 annas. Lands such as these cannot of course pay; they are held and cultivated by the poorest class of cultivators—and that, too, for a bare living—or for a few months' food, and yet they are, under our existing system, regularly assessed, and the assessments are enhanced on revision. Thus, in the Valva taluka of the Satara Collectorate (revised in 1895) the assessment on these *Kumri* and *Tisali* lands has been raised from As. 3-1 to As. 3-6 per acre, the total areas of such lands and assessments being—

	Areas in acres.	Assessment Rs.	(Vide Rev. Settle. Rep. App. Q, p. 47.)
By Old Survey	12,816	2,418	
By Revision Survey ...	12,730	2,791	

Mr. Turnbull, the Survey Superintendent, thus remarks on this enhancement:—"There are thirty-one villages in which *Kumri-Tisali* land is recorded; in seventeen of these the enhancement is under 10 per cent; in seven over 10 and under 20; in two over 20 and under 30; and in two over 40 and under 50; in one, it is 70, and in two between 80 and 90 per cent," the lands in these better situated villages "coming under the first Dongar class" (Revenue Settlement Report, p. 15, para 29). Comment on such 70, 80, 90 per cent enhancements on such lands is unnecessary. The figures speak for themselves, and serve to illustrate in a striking way the working of the present arrangements.

In the Patan taluka of the same Collectorate (revised in 1893) where these *Kumri-Tisali* lands measure 56,480 acres and form fully 68 per cent of the total dry-crop area of the sub-division, we have a most remarkable change in the treatment of such lands to notice. The old method of assessing them all at a uniform one-rupee maximum rate has been discarded as unscientific and otherwise faulty, as ignoring the large variations that exist in their relative value according to their proximity to or distance from roads and markets, and now on revision, the ordinary dry-crop maximum rates ranging from Rs. 3-4 to Re. 1-2 have been applied to them, graded and grouped on the usual survey principles, according to advantages of position and accessibility, the original soil-classification under the Dongar class rules being maintained, to obviate all possibility of "over-assessment" (*Vide* Revenue Settlement Report, Government Resolution of February 8, 1895, pp. 66-7). The precise result of the revised settlement as far as these lands are concerned, is not very clear from the report, but that the measure of enhancement on these poorer soils so graded according to the ordinary survey rules must have been heavy there is not a shadow of doubt. In thus grading these lands, however, according to position and situation in respect of roads and markets and imposing on them heavy enhancements, it is apparently not sufficiently borne in mind that they seldom yield anything beyond the barest necessaries of life, if even that much.

In passing on next to *Varkas* areas, we come to one of the most important points in the present discussion. There are extensive areas of such lands in the Konkan districts. They are poor, thin-soiled "uplands," yielding scanty crops, and needing besides long periods of rest after cropping—usually two years' cropping and five years' fallow. In recent revision settlements in these Konkan districts, all these lands have been re-surveyed and re-classified, and very heavy enhancements have been laid on them, on the ground of "levying proper assessments on survey principles." The limits of enhancement laid down in Government Resolution No. 5739 of October 29, 1874, are here prescribed, and that, of course, with the approval and sanction of the Secretary of State. We will take here for illustration the revisional settlements as recently carried out in Deogad in Ratnagiri, Pen in Kolaba, Murbad, Kalyan, and Bhivandi in Thana. The general result of the re-

vision as regards *Varkas* areas in these talukas may be summarized in a tabular form thus :—

Taluka.	By Old Survey.		By Revision Survey.		Total increase.	Percentage of increase.
	Area in acres.	Assessment in Rs.	Area in acres.	Assessment in Rs.		
1 Deogad (1891)..	...	15,864	132,170	34,293	18,429	116·
2 Pen (1894) ...	36,047	6,664	37,086	15,882	9,221	138·
3 Murbad (1895).	75,927	13,914	75,927	19,333	5,419	39·
4 Kalyan (1895).	57,090	12,704	51,266	20,502	7,798	61·3
5 Bhivandi(1895)	39,385	8,990	35,065	14,520	5,530	61·6

The enhancements of assessment on these *Varkas* areas thus range from 138 per cent in Pen taluka in Kolaba to 39 per cent in Murbad taluka in Thana, all above the usual 33 per cent limit, and brief remarks on each taluka may not be out of place.

First, as regards *Deogad*, the enhancements here are justified mainly on two grounds—(1) superior quality of *Varkas*, and (2) inadequacy of old rates.

Varkas in the eastern half of the taluka is, no doubt, good, particularly *Bhatle Varkas*, which is yearly cultivated, and besides is easily convertible into rice land But such *Bhatle Varkas* is small in extent, and the rest of the *varkas* area requires more or less long fallows. As in Rajapur taluka, so here, the rule is two years' cropping to five years' fallows, so that just 2-7ths of the area (or, say, 37,800 acres) can be in any one year under crop. But even of this cultivable area, a considerable part is kept for grass and *rab* ; and it would appear that, at the outside, the yearly cropped area does not exceed 25,000 acres on an average. This average it is that pays the revised assessments (—Rs. 34,293), and the incidence per acre works out to something like Re. 1-6—an average incidence nearly equal to that of Khandesh or Dharwar, and which would *prima facie* appear too heavy at all events for *Varkas* lands. But further, it is admitted that "beyond some quantity of hemp, the taluka yields little produce for export," and that it does not support its population. "Half the population," writes

Colonel Godfrey, "leave their homes during the fair weather to seek employment in Bombay" and elsewhere, and the Commissioner, S. D., adds that "but for such outside aid thus obtained the population would probably find it impossible to subsist, and permanent irrigation on a large scale would be the only resource left to many." To impose under such circumstances such a heavy enhancement of assessment on revision as 116·1 per cent and that, too, on *Varkas* uplands and in a taluka otherwise so hard-pressed, would strike any fair-minded observer as little short of grave injustice. But Government is satisfied that the taluka has been for a very long time under-assessed "and that proper assessment calcutated on Survey principles should now be levied," and the "proper" revised assessment so levied on these non-paying *Varkas* lands is more than double the old! (*Vide* Revenue Settlement Report, pp. 39 and 48.)

As regards *Murbad* in Thana (3) the increase of assessment on revision (1895) imposed on *Varkas* lands is even less defensible. The enhancement here is not so high as in Deogad, but it is still 39 per cent, and without, apparently, the slightest justification. About the *Varkas* lands, Mr. Turnbull, the Deputy Survey Superintendent, thus writes:—"The *Varkas* lands are valuable for cultivation only, for the grass they produce has no saleable value in the district, and the markets of the coast are too distant to admit of its transport to them with profit. It is used entirely for *rab*, but though turned to good account in that way, it yields no direct return to the cultivator" (Revenue Settlement Report, p. 14). Mr. Sinclair, Collector of Thana, concurring, remarks:—"These uplands in Murbad are often of almost nominal value. There is no market for natural forage, and no garden or orchard cultivation of any value is possible on these lands. Even timber and fuel are depreciated in value by the distance from water-ways and railways of the inferior groups." (p. 72). Thus, *Varkas* here has no independent agricultural value, bears no crops, and is held only as an *adjunct* to rice lands for *rab* and for grazing. The total area measures about 76,000 acres. It is on such an area—so independently valueless—that an enhanced assessment of Rs. 19,339 is imposed and the average rate per acre raised from 2-9 annas to 4-0 annas. And Government holds that the revised assessment, "taken in connection with the fact that the average assessment works out to little more than 4 annas an acre, cannot be considered to be in any way excessive." (*Vide* Revenue Settlement Report, p. 82). A

39 per cent enhancement of assessment imposed on the poorest of *Varkas* lands, yielding little or nothing beyond *rab*—and that, too, for no assignable reason—not to be considered to be in any way excessive.

As regards the other talukas—Pen, Kalyan and Bhivandi—the enhancements of assessments imposed on revision on *Varkas* lands range from 138 per cent in Pen, and 61·6 per cent in Bhivandi, to 61·3 per cent in Kalyan, and are justified mainly on the ground of an expanding export of grass to Bombay from those *Varkas* up-lands. The grass trade is, no doubt, a new opening of some promise, and gives to these *Varkas* areas an independent agricultural value they never had before. But it is yet on too small a scale, and is confined only to some 11 per cent of the total *Varkas* acreage comprised in these talukas, as will be seen from the following table compiled from the Revenue Settlements:—

Taluka.	*Varkas* used as an adjunct to rice cultivation.	*Varkas* for supply of grass for export.	Cropped.	Total.
Pen	28,585	7,500	*1,000	37,085
Kalyan	47,765	3,500	...	51,265
Bhivandi	29,260	2,500	3,305	35,065
Total ...	1,05,610	13,500	4,305	1,23,415
Percentage ...	85·6	10·9	30·5	...

Besides, the *Varkas* lands in those talukas are so inferior that there is practically little or no cereal cropping, except in Bhivandi, and on the hill slopes in Pen. And thus, 85·6 per cent of the total *Varkas* area is held, and exclusively utilised as an adjunct to rice cultivation as in Murbad; and it is this area, so utilised as an aid to rice cropping, and with no independent value of its own, that bears the main burden of the revised assessments. Further, even the profits of the grass trade may be easily exaggerated. The export of grass is not carried on direct by the cultivators themselves, but is chiefly in the

*In wider parts Thakurs and Katkaris grow inferior grass on hill slopes. The area given is only a guess.

hands of the Bombay merchants and contractors. The grass is generally purchased by the exporter, as a standing crop, and the *Varkas*-holder is just paid a rupee or so for every 1,000 bundles, weighing from 1,200 to 1,500 lbs., which is also the average yield per acre, according to Mr. Mollison's estimate (Vide *Thasra* Revision Settlement Report, p. 12, Kaira Zilla series). And when it is added that it is not all the grass that grows that is fit for export, and finds sale, it will be seen how the *Varkas*-holder's even one-rupee profit per acre of grass *Varkas* falls down to some 10 to 12 annas, and I submit a revised assessment, no matter how scientifically carried out, which claims out of each 10 to 12 annas gross income over 6 annas (annas 6 to 10 in Pen, annas 6 to 8 in Bhivandi, and annas 6 to 5 in Kalyan) on an average, *i. e.* 50 to 60 per cent as the proper share of the State, cannot be held to be, even in respect of those *grass Varkas* lands, otherwise than oppressively severe.

On a general review of these recent Konkan revision settlements, the broad conclusion that is suggested is that enhancements of assessments on revision are imposed on those *Varkas* areas under conditions and circumstances which can in no way be considered to excuse or justify them.

Finally, we come to the last sub-head of our *non-paying areas, viz.*, the exhausted tracts in the Deccan districts. These tracts cover a large area, as I estimated it, say, between $\frac{1}{4}$th and $\frac{1}{5}$th of the total cropped acreage; and include extensive stretches of soil, the classification-value of which seldom rises beyond 4 to 5 annas of the Joint-Report scale, and which, besides, suffer from a scarcity and variable rainfall. They are fast deteriorating under our present exhausting system of cultivation, and now scarcely yield enough for the maintenance of the cultivator and his family. They are for the most part below the minimum economic level, and do not, and never can, as things are, *pay*. And, now, that there has been in those parts as elsewhere during recent years a dreadful loss of cattle, the existing assessment would seem to throw on them a burden they cannot bear. Among such tracts may be mentioned the Akola, Parner, Karjat and Jamkhed talukas in *Nagar* zilla; the Badami, Bagalkot, and Bagevadi in *Bijapur*; the Nandgaon and Baglan talukas in *Nasik*; the Indapur and Khed sub-divisions in *Poona*; the Man and Javli taluka in *Satara*; the Sangola, Malsiras, Madha, and Karmala talukas in *Sholapur*. I now cite here as typical illustrations six such talukas, *viz.*, Javli, Man, Sangola, Bijapur-Bagewadi, Malsiras,

and Parner. The leading statistical facts relating to them are summarized in the following table compiled from the Revision Settlement Reports, Appendix Q:—

Taluka. (No. of Villages.)	By former Survey.					By Revision Survey.					Total increase	Percentage of increase
	Assessment Rates.		Area in Acres.	Assessment in Rs.	Average Assessment per acre.	Assessment Rates.		Areas in acres.	Assessment in Rs.	Average Assessment per acre.		
	Maximum.	Minimum.				Maximum.	Minimum.					
	Rs. a.	Rs. a.			As. p.	Rs. a.	Rs. a.			As. p.		
Javli (133 villages) (Satara zilla) ...	1 4	1 0	66,406	12,102	2 10	1 14	1 2	65,145	12,982	3 2	880	7
Man (72 villages) (Satara Zilla) ...	1 10	1 0	2,17,629	46,748	3 5	1 12	1 4	2,14,780	64,810	4 10	18,062	39
Sangola (70 villages) (Sholapur Zilla) ...	0 15	0 9	2,98,169	69,453	3 8	1 2	0 12	2,89,642	87,844	4 10	18,391	26·7
Bijapur-Bagewadi (97 villagss). (Bijapur Zilla)...	0 15	0 8	2,81,538	81,368	4 6	1 2	0 12	2,79,867	1,08,779	6 3	27,411	33·5
Malsiras (87 villages) (Sholapur Zilla) ...	...	0 15	2,09,287	65,779	5 0	1 4	1 3	2,04,015	88,452	6 10	22,673	34·8
Parner (108 villages) (Nagar Zilla) ...	1 14	1 2	2,28,211	87,150	6 3	1 14	1 6	2,43,926	99,399	6 6	12,249	14
No. of villages. Totals ... ... 567 for 6 Talukas ...	...	...	12,96,240	3,62,600	4 5	...	...	12,97,375	4,62,266	5 8	99,666	28

Summary—In these six talukas comprising 569 villages, revised and re-settled :

	Dry Crop area in acres.	Assessment in Rs.	Average incidence per acre.
			Rs. a, a.
By former Survey ...	12,96,340	3,62,600	0 4 5
By Revision Survey ...	12,97,375	4,62,266	0 5 8
Increase ...	1,035	99,666	28 p. c. incr.

Thus while the increase in cropped area in these six talukas is just a trifle over 1,000 acres, the revised assessment exhibits an enhancement of 28 per cent, and the average assessment per acre on revision rises from annas 4-5 to annas 5-8. The increase does not strike us as in any way large, but when it is considered that the assessed occupied area brought under revisional settlement is about the worst of non-paying areas, composed of lands of the poorest description, the soil-valuation never going beyond 4 or 5 annas of the Joint-Report scale, the very fact that the imposition upon it of an enhancement of no less than 28 per cent on the aggregate assessment has been held by the authorities to be justifiable under the circumstances is a fact of serious significance, and serves to show how our existing land revenue system actually works. The normal condition of the cultivators in these parts may be best understood by an illustration. Let us take a cultivator with his wife and two children in any of these talukas, having a holding of, say, twenty-five acres, which he works with his own bullocks and labour. The result of the year's working may be set forth in some such way as the following :—

Of 25 acres,—20 cropped, and 5 fallow :—

Grain yield at 160 lbs. per acre (*vide* Government Resolution No. 4515, of August 11, 1875, on Madha) ... ... 3,200 lbs.

Deduct :—		
Seed at 6 lbs. per acre... ...	120 lbs.	
Wastage	8 lbs.	
Expenditure in Cash —		
Replacement of implement and stock ...	Rs. 10	
Labour	Rs. 5	1,450 lbs.
Government assessment + local cess	Rs. 10	
Total.....	Rs. 25	
At 50 lbs. per rupee	=1,250 lbs.	
Total.....	1,450 lbs.	
Balance of grain produce available for the ryots		1,750 lbs.
Maintenance, straw being needed for his bullocks — Food at 5½ lbs. per diem (—2 lbs. for the ryot, 1½ lbs. of his wife, and 2 lbs. for his 2 children) 365 days		2,007 lbs.
Deficiency in respect of food supply itself ...		257 lbs.

Let alone other necessaries, *e.g.*, clothing, &c.

Such is the normal state of things in these parts ; the lands do not yield even enough for the cultivator's subsistence, and it will be admitted that a land revenue system which takes no account of such a position of things, but lays on 30 and 40 per cent enhancements of assessments on revision instead of giving relief from the burden already too heavy, manifestly requires justification.

Here closes this some-what lengthened inquiry into our existing system of *dry-crop* assessments in respect of *non-paying areas*. These areas constitute a zone not only of non-economic cultivation, but also as we see, of unjust assessments, and thus still more unjust enhancements on revised settlement. The points brought out in the course of the inquiry may be summarised thus :—

(1) That little or no weight is given to economic considerations in the assessment of lands.

(2) That the assessments are fixed with reference not to the actually gross or net produce of the soil, but exclusively to the productive capabilities of land ascertained by an expert Department.

(3) That the theory of State landlordism is acted up to in all its logical severity, so that not even the poorest lands are let off unassessed. And little thought is given to the consideration whether what the State claims as its share is not an undue deduction from the ryot's diminishing corn-heap.

(4) That private improvements are not always exempted from taxation as solemnly provided for in the Land Revenue Code.

(5) That enhancements of assessments on revisional settlement are levied in many cases without sufficient grounds—in some cases without any apparent reason, and generally on an imperfect view of the economic position of the local area revised.

As a net practical result, the existing assessments—particularly as revised in recent years—weigh with crushing pressure on these non-paying areas, seriously trenching in many cases on what always should be held to be the ryot's sacred margin of subsistence.

And the chief sufferers are amongst the poorest of our cultivators—the unhappy holders of these non-paying lands. As we all know, these people have suffered in recent years, especially in these arid Deccan tracts, as no other class has suffered, and still their sufferings are not yet over. They are now a broken peasantry—without heart, without hope, and at the end of their resources. The *sawkar* will not help them in their hour of need, as he never has done, for they have no personal credit, nor are their lands good security. But as ryots of the State, they have the strongest claim to the generous consideration of Government, and the noble-minded statesman who presides over the administration of this Presidency at this critical juncture may be confidently appealed to to inquire into the condition and needs of these unfortunate cultivators, and extend to them the measure of relief and help such inquiry might show to be proper and necessary. An all-round, say, 30 per cent reduction in the existing assessments, and guaranteeing the reduced rates for a term of thirty years—some such large-hearted concession would be to these people a boon and a blessing which they would know how to value, and which might serve to give them a fresh start such as nothing else could.

Here I conclude, apologising for the length of the letter, and reserving, with your permission, further examination of this much-vexed question for another occasion.

THE LAND REVENUE PROBLEM.*

VI.

The announcement contained in a brief editorial in the *Times of India* of the 20th instant regarding an important change in the attitude and policy of the Local Government in respect of the treatment of the famine-stricken districts will have been received throughout the famine area with feelings of relief and gratitude, and cannot fail to have a most re-assuring effect. The condition of the rural class in the affected areas continues such as to cause the gravest anxiety, and mere suspensions and remissions of land revenue, however liberally granted, can scarcely suffice to relieve the pressure of the situation. And it is a pleasure to find that the truth is at length dawning on the official mind that something more is needed to ensure the recovery of the distressed populations. The land revenue demand—no matter how moderately assessed—cannot but weigh heavily in tracts wasted and laid low by a disastrous succession of calamitous famines; and the authorities are apparently coming to accept the view that reductions in the existing assessments are imperatively necessary as a supplementary measure of relief. The whole subject, however, is still at the preliminary stage of inquiry and reporting, and it will be some time before we have a definite authoritative pronouncement in this regard. Evidently we are on the eve of a new and welcome departure in these matters, and we may permit ourselves to hope that the official inquiry—said to be put on foot—into the condition and needs of the famine districts may be a thorough and comprehensive inquiry, and that as a result of such inquiry, Government may come to right decisions on the point, and following in the wake of a neighbouring British Administration which is coping with an analogous situation with such conspicuous success, see its way to adopting a liberal scheme of ameliorative action fairly calculated to meet the necessities of the case.

Meanwhile—to resume our study of the actual working of our existing land revenue assessments—in two previous letters I have dwelt at what might have seemed somewhat wearisome length, on the state of things in regard to *non-paying* portions of our cropped areas. These non-paying areas, as I have

* This letter appeared over the signature 'J.' in the *Times of India* dated 29th May 1901.

pointed out, comprise large extents of inferior land to which tillage has descended under the stress of a hard economic situation, and represent what may be called a broad belt of non-economic subsistence farming; and the holders of such lands are among the poorest of our cultivators. And I submit that on a careful and dispassionate survey of the position it is impossible to escape the conclusion that the relatively high assessments imposed on these lands and their recent heavy enhancements on revision weigh with crushing pressure on classes the least able to bear it, and constitute a grave injustice which demands to be redressed. The point here involved is not merely a land revenue settlement point, but has a most important bearing on the larger question of famine and famine relief. For, a close analysis of the numbers that crowd our relief-works famine after famine will show that it is to these classes—and seldom to those higher up in the scale—that the majority of cultivators belong, who come upon the hands of the State in times of such stress. Usually men of little means, hard-pressed and struggling in the best of seasons, and scarcely ever in a position to pay up their assessments and save for a rainy (or rainless) day—these unhappy ryots are, when the gods are angry and the rains hold off, among the first to feel the pressure, and are driven, there being no other alternative, to cast themselves on the charity of the State. Their lands being inferior, and they themselves being with little or no personal credit, the *sawkar*, as is so often erroneously supposed, does not come in here, with his nefarious dealings to complicate matters. The responsibility of the State in the case of these unfortunate people is real and direct, and the question that presses for consideration is, how far a land revenue system, which, no matter how scientific and symmetrical is its general frame, sweeps off into the coffers of the State the whole of the poor ryot's savings, and sometimes something more, and leaves him utterly helpless to tide over even a single season of drought and difficulty, is in harmony with right principles.

The specific points brought out in the course of our review of these non-paying areas may be here briefly re-stated for the convenience of readers. They are—

(1) That, in the assessment of such lands little or no weight is allowed to economic considerations;

(2) That, the assessments in this Presidency are fixed—not on the basis of any estimate of the actual gross or net produce of the soil, as is done in Madras and the Punjab—nor,

again, with regard to the ascertained rent rates customarily paid for different soils in the assessment circles, as is done in the North-West Provinces and Oudh, but with sole and exclusive reference to an abstract valuation of the productive capabilities of land, as carried out by an expert department on the one side, and an estimate of the revenue paying capacity of the local area concerned on the other, as formed from a study of its fiscal and economic history. Thus, virtually, there is here no recognisable limit to the State demand so fixed beyond what the State chooses to take and the ryot can pay.

(3) That, in these assessment operations that theory of State-landlordism is acted up to in all its logical severity, so that even the worst soils are let off unassessed. And, further, no thought is given to the consideration whether what the State claims as its due does not—as it does in so many cases—seriously trench on the ryot's (over large areas) narrow and ever-narrowing margin of subsistence and savings which ought in justice to be his, and so left untouched.

(4) That, private improvements are not always exempted from taxation, as guaranteed under the Land Revenue Code.

(5) The enhancements of assessments on revision are levied—in many cases without sufficient grounds, in some without any assignable reason, and generally on an incorrect view of the economic position of the local area revised. The limits to such enhancements—as laid down in Government Resolution No. 5739 of Act 29, 1874 (*viz.* 33 per cent for a taluka, 66 per cent for a single village, and 100 per cent for individual holdings)—rest on no statutory guarantee, and are sometimes laid aside—of course with the sanction of the Secretary of State—whenever the Local Government in its executive discretion deems fit to do so. Increases amounting to 156, 116, and 61 per cent have thus been recently imposed in several of Konkan revision settlements. It may here be added, *en passant*, that when Lord Reay's Government was pressed for a legislative guarantee for these enhancement limitations, Lord Reay opposed the demand in these remarkable terms:—"What the amount of land revenue should be is a question of a totally different order, which involves considerations of the fiscal policy of the Government, and not of this Government only, but of the Government of India and of the Secretary of State. Whatever conditions are imposed on re-classification and on re-assessment, the determination of the amount of land revenue to be paid for

Imperial and for Provincial purposes rests with Government in its executive capacity. The Secretary of State may, at any time, alter the the instructions given by him as to the 33 per cent limit." "In India the Land revenue is levied at the discretion of the Ruler." (*Vide* Legislative Council Debate, August 14, 1886, Vol. XXIV, p. 67).

(6) That, the half-net assets principle which is the guiding and determining principle of assessment in most Indian Provinces, has here simply no recognition.

So far with regard to these non-paying cropped areas and the points a review of their position in respect of the existing assessments suggests. And as we pass on to a study of *paying* areas, we find *en limine* whole districts, such as Sholapur, lying close to the dividing line. Even in average seasons these districts are seldom well off, and it is always doubtful whether in any given year, they are on the right side of the border, and are, agriculturally speaking, in a position of solvency. But now, after the awful trials and exhausting struggles of the past few years, these tribes find themselves hard-pressed and heavily handicapped, and placed below the economic level, utterly unable to bear their existing burdens. No part of the Presidency has suffered more during these years of stress and trial, and they have as strong a claim to indulgent and generous treatment at the hands of Government as any of the distressed areas. As typical illustrations, I would mention here the zillas of Ahmednagar, Sholapur, and Bijapur, and a brief sketch of their economic position may not be deemed out of place in the present discussion.

These three districts lie in the driest zone of the Deccan upland and are about the poorest zillas in the Presidency.

Area.....	16,855 square miles
Population (1901).....	2,293,793
Density of Population to the sq. mile.....	137

The soil over extensive areas is poor and shallow—grey or red—gravelly or stony; the rainfall, scanty and precarious; the cropping, inferior; and the outturn, almost always below the mark. In average years these zillas are just able to keep on the economic margin and pay their way; and it is only when the seasons are exceptionally good that they rise any higher.

Of the *cultivable area*, which aggregates in these zillas 88·7 lakhs of acres, nearly the whole is now under occupation for cultivation (=87·4 lakhs), leaving but 1·3 lakhs of acres as an available margin for further extension—or not even 1·5 per cent—for a population of twenty-three lakhs. There is thus here little or no room for spread of *extensive* cultivation, and *intensive* farming is an imperative necessity, and yet the ryots are too poor and depressed for the effort.

Zillas.	Total cultivable area in lakhs of acres.	Total occupied area in lakhs of acres.	Total area available for cultivation in lakhs of acres.
Nagar	31·64	31·12	·52
Sholapur	24·79	24·64	·15
Bijapur	32·27	31·63	·64
Total ...	88·7	87·4	1·3

The larger part of the land thus taken up is—as it must necessarily be when tillage thus spreads in a poor area to every available rood of ground—extremely poor, comprising large extents of mâl, bharud, karab, and khadkal soils, and the average land revenue incidence under low dry-crop maximum rates, ranging from Rs. 2-4 to Re. 1 and under, works out to even less than 8 annas per acre—a clear proof of a low classification valuation of the soil under the Survey rules.

Zillas.	Land revenue in lakhs of Rs.	Incidence per acre of occupied land.
		A. P.
Nagar	16·41	3 5
Sholapur	11·39	7 9
Bijapur...	14·10	7 1
Total ...	41·90	7 7

By the *occupied acreage*, about 86 per cent is usually cropped, and 14 per cent left fallow. During recent years this "fallow" area has been a good deal larger owing to adverse seasons.

Taking, next, the *cultivated acreage*, we find fully 96 per cent and more is under dry crops, the irrigated area barely coming up to 4 per cent. In 1898-99, out of the cropped area of 74·2 lakhs of acres, just 2¾ lakhs were irrigated (15,600 from Government canals and 259,000 acres from wells, Bandharas, &c.). These zillas are admittedly peculiarly liable to violent variations of the seasons, and there is always present the danger of drought and crop failure, and yet almost the whole cultivated expanse of land lies exposed and unprotected by irrigation.

Next as to *cropping*—the husbandry is in these zillas for the most part inferior. There is little manuring; good ploughing is rare; a proper rotation of crops as a restorative method is but little practised, and really good farming is almost confined to small patches of garden land. The crops raised in 1898-99 were—

Crop.	Area in lakhs of acres.	Percentage of cropped areas.	Crop.	Area in lakhs of acres.	Percentage of cropped areas.
			Acres.		
Jawari and Bajri ...	51·07	68	Rice ...48,000		
Pulses and oil-seeds ..	13·03	17	Tobacco ...15,000		
Wheat	4·97	6·8	Sugarcane ... 3,000	94	1·2
Cotton	3·47	4·9	Garden pro-		
Miscellaneous ...	·78	1	duce ...28,000		

It will thus be seen that jowari and bajri, pulses and oil-seeds are the staple crops of these districts embracing between them no less than 85 per cent of the total cropped acreage. As to superior cropping, the areas under such crops as wheat, rice, tobacco, sugarcane, and garden produce form but a small fraction of the whole—a bare 13 per cent.

What however, most handicaps these districts and keeps them at a low economic level is the violent vicissitudes of the season. The seasonal history of the past decade, as far as those zillas are concerned, may be thus summarized:—

Year.	Remarks on the Season.
1890-1	A *moderately fair season*—rainfall below the average and failure of khariff in Sholapur and Nagar.
1891-2	A *famine year* in Bijapur—a total crop failure. A *bad* year for Sholapur and Nagar, where both khariff and rabi suffered.
1892-3	A *moderately fair year*—Khariff damaged in Nagar and Sholapur, and rabi suffered in Nagar.
1893-4	A *good year* all round.
1894-5	A *moderately fair season*—in Sholapur khariff suffered; in Nagar and Bijapur rabi only fair.
1895-6	A *moderately fair season*—in Nagar and Sholapur khariff suffered; in Bijapur, the crops were damaged by floods.
1896-7	A *famine year*.
1897-8	A *bad year* for all the three zillas, where both rabi and khariff suffered. Rainfall scanty and unfavourable.
1898-9	*An unfavourable season* for all the three zillas. Both khariff and rabi did badly.
1899-1900	A *famine year*.

Thus, 1893-94 was the only good year for these zillas during the decade; the four years—1890-1, 1892-93, 1894-95, and 1895-96—were only moderately fair (khariff more or less suffered in all the three zillas, and rabi only did fairly), the year 1891-92 was all but a famine year (in Bijapur it was a famine year); 1897-98 and 1898-99 were unfavourable years; 1896-97 and 1899-1900 were, of course, famine years, or, in other words one good year, four moderately fair years, two unfavourable years, and three famine years, during the decade in three districts.

These seasonable fluctuations are reflected in the outturn of crops during the decade, and the following table compiled from General Administration Reports gives the anna valuation of crops (by the Mamlatdars) for the different years. 16 annas representing an average (normal crop):—

Average Anna Valuation of Crops.

Year.	Nagar.				Sholapur.				Bijapur.			
	Jawari.	Bajri.	Wheat.	Cotton.	Jawari.	Bajri.	Wheat.	Cotton.	Jawari.	Bajri.	Wheat.	Cotton.
1890-91 ...	12	8	8	10	15	2	10	2	13	9	13	7
1891-92 ...	8	9	8	6	8	2	9	6	3	2	2	2
1892-93 ...	10	11	13	7	11	8	11	5	7	9	10	10
1893-94 ...	11	10	12	9	11	6	11	5	12	9	12	10
1894-95 ...	10	10	11	5	11	6	10	4	9	8	10	8
1895-96 ...	10	10	11	9	8	5	10	5	9	8	9	7
1896-97 ...	6	5	7	7	3	2	4	...	1	...	...	...
1897-98 ...	4	10	9	3	7	6	10	...	6	6	6	4
1898-99 ...	3	7	7	9	10	6	8	...	9	7	8	6
1899-1900...	2	5	3	...	5	2	5	...	4	2	...	...

Summarized, the figures stand thus :—

Crop.	Contribution above 8 annas.		Contribution 8 annas and under.	
	No. of crops.	Range of variation.	No. of crops.	Range of variation.
		Annas.		Annas.
Jawari	15	15–9	15	8–1
Bajri	9	11–9	21	8–0
Wheat	17	13–9	13	8–0
Cotton	6	10–9	24	8–0
Total	47	15–9	73	8–0

Thus, of the 120 crops of jwari, bajri, wheat and cotton in those districts during the past decade, only 47 were above 8 annas, while the remaining 73 from 8 annas to *nil*. Of 120 crops, only 47 above half the normal average, and full 73 just half the average in outturn, and under, going down to zero—the loss of crops indicated in these figures in these three zillas during the past ten years is something awful to contemplate.

We have official estimates of crop-losses during the famine years 1896-97 and 1899-1900 :—

Crop-losses in lakhs of maunds, as compared with the outturn for 1894-95-96.

District.	1896-97 (Hon. Mr. Muir-Mackenzie's estimate).	1899-1900 (Mr. W. P. Symonds' estimate).	Total in lakhs of maunds.
Nagar	113·06	122·36	235·42
Sholapur	91·60	91·23	182·83
Bijapur	125·48	118·93	244·41
Total ...	330·14	332·52	662·66

Thus, the total crop-loss during the two famine years amounts in quantity, according to official estimates, to over 662½ lakhs of maunds, the money value of which, at, say, Re. 1-12 a maund, comes to 11·60 crores of rupees. For 1891-92, which was a famine year in Bijapur, and all but a famine year in the other two districts, we might add, say, three crores to the total while for the crop deficiencies of other years—notably 1897-98 and 1898-99, it would not be wrong to add on another three crores. The aggregate money value of the ryot's crop losses alone, thus, is 17·60 crores (exclusive of cattle losses), which is equivalent to about forty-two times the assessment in these districts (loss=1,760 lakhs, assessment=41·8 lakhs).

Under our Bombay land revenue system, we have no means of knowing how much the State takes as its due out of the *net* produce of the soil, and how much it leaves to the cultivator as his margin of savings. But if we assume that the assessment with us fairly represents half the net-assets as it does in the rest of India, which is, however, too liberal an estimate, it would appear that the ryot's annual savings in these districts in fair years amount to about 42 lakhs. And his losses in crop-failure during these ten years are thus equal to his forty-two years' savings. The famine of 1876-77 however was a most calamitous famine, and was felt in these zillas in its greatest intensity, and the ryot lost all. And, now, his losses during

the past decade, amounting to 17·60 crores, indicate not only a clean sweep-off of his twenty-four years' savings since then (say about ten crores), but a net addition of over 7½ crores to his indebtedness.

Nor is this all. The ryot's cattle-loss in these districts, as elsewhere, has been heavy during these years, and now he has barely a pair of plough-cattle per 36 acres of occupied acreage, as against a pair for every 24·7 acres ten years ago. Similarly, in regard to ploughs, there is a serious deficiency, the ryot apparently not having been able to repair old, and get new ones, and there is now scarcely a plough for every 80 acres of occupied area.

Plough cattle and ploughs in these three districts.

Year.	Plough-cattle.	Plough.	Occupied area in lakhs of acres.	No. of acres per pair of plough-cattle.	No. of acres per plough.
1889-90.....	696,007	158,000	85·9	24·7	54
1899-1900...	478,283	104,890	87·4	36·6	80

The misery of the period is further reflected in the recent census returns. The decrease of population in these three districts during the decade comes to 141,990.

Population in these three Zillas.

Census of 1891	2,435,783
,, of 1901	2,293,793
Deficiency	141,990

In normal years we should have had an increase of about 2½ lakhs at the rate of one per cent per annum so that the diminution in numbers is nearly 4 lakhs. How much of this diminution has been due to decreased birth-rate, how much to increased death-rate owing to plague and other epidemics, and how much to starvation and suffering, the coming Census report may be expected to reveal.

Meanwhile, we may note as some of the more determining features of the ryot's position at the close of the decade the following :—

(1) That his crop-losses alone during the period (not to mention a serious depreciation in the value of his silver savings under the recent currency legislation) have been so heavy as not only to exhaust all his savings of the past quarter of a century, but to leave him, further loaded with an additional debt of over $7\frac{1}{2}$ crores.

(2) That the diminution of his plough-cattle and ploughs during these ten years has been so serious that he has now not enough of either for his purposes.

(3) That his growing resourcelessness is painfully illustrated in the largely increased number on famine relief, we meet with, one famine year after another thus :—

Famine year.	Maximum No. on Relief.	
1876-77	311,611—12 p. ct. of pop.	in these three districts.
1896-97	376,575—15 p. ct. ,,	
1899-1900	467,521—19 p. ct. ,,	

And now in 1900-01, a year of partial distress, we have already on relief no fewer than 174,010 or over 7 per cent.

Let us now turn to the land revenue history of these districts during the ten years ending 1899-1890—a history which exhibits but little trace of the dreadful trials these populations have had to undergo during the period, and which, on the whole, presents, taken by itself, a pleasing picture, by way of contrast, of increasing and easily-collected revenues. We have to note :—

(1) That the land revenue demand shows an increase in these three districts of 1·7 lakhs—from 40·18 in 1889-90 to 41·88 lakhs in 1899-1900. Of this increase, Rs. 96,804 *i. e.* more than half, has been secured on revisional settlements carried out in 291 villages in the Sholapur and Nagar Collectorates ; the rest of the increase coming, of course, from extension of occupied areas.

In lakhs of Rupees.

Districts.	Land Revenue in 1889-90	Land Revenue 1899-1900.	Increase during the decade.
Nagar	15·89	16·41	·52
Sholapur	10·51	11·37	·86
Bijapur	13·78	14·10	·32
Total	40·18	41·88	1·70

(2) That the land revenue demand has been collected in all these three districts regularly from year to year and with comparative ease, in spite of the disastrous vicissitudes of the seasons, and the tremendous losses to the cultivators resulting in consequence during the period. This total revenue due was 416·52 lakhs of rupees, out of which 398·42 lakhs have been collected, and the outstanding arrears is just 16·10 lakhs, or less than 4 per cent, as will be seen from the table subjoined, as compiled from general Administration Reports :—

Land revenue in lakhs of rupees.

Years.	Nagar.			Sholapur.			Bijapur.		
	Due on cur. year's demand and arrears.	Collections.	Arrears.	Due on cur. year's demand and arrears.	Collections.	Arrears.	Due on cur. year's demand and arrears.	Collections.	Arrears.
1890-91...	16·19	16·17	·02	10·47	10·47	...	13·92	13·91	·01
1891-92...	18·37	16 36	·01	10·69	10·69	...	13·85	13·58	·27
1892-93...	16·46	16·44	·02	10·90	10·90	...	14·37	14·34	·02
1893-94...	16·42	16·39	·02	11·11	11·10	0·1	14·13	14·12	·01
1894-95...	16·47	16·45	·01	11·15	11·14	0·1	14·20	14·19	·01
1895-96...	16 39	16 39	...	11·21	11·21	...	14·22	14·22	...
1896-97...	16·39	15·31	1·08	11·40	9·41	1·99	14·11	10·84	3·26
1897-98...	17·50	16·01	1·48	13·34	12·53	·80	17·38	16·10	1·28
1898-99...	17·88	16·94	94	12·14	11·63	·50	15·43	14·66	·76
1899-1900	17 35	7·35	10 29	11 88	9·33	2·54	14·84	11·56	3·27
Arrears outstanding.	...	...	10·29	...	...	2·54	...	...	3·27

Total = 16·10 lakhs in these three districts.

The collections upto 1895-96 present a clean balance-sheet —just Rs. 2,000, and no more, standing out as an uncollected arrear. In 1891-9 , the suspensions in Bijapur, owing to famine conditions, amounted to Rs. 27,000, which arrear was, however, co lecte l in the year following. Considerable arrears begin with he famine year 1896-97. In that year the total arrears in these three districts was 6·23 lakhs, out of which 2·67 lakhs were collected in 1897-98. In 1898-99 there was a further recovery of 1·36, and the outstanding left was 3·2 lakhs. In the closing year of the decade—1899-1900—which

is a famine year, the arrear swells to 16·10 lakhs, which amount at present stands out in these three zillas for further recovery.

	Lakhs.	
1896-97	6·23	arrears.
1897-98	3·56	,,
1898-99	2·20	,,
1899-1900	16·10	,,

The outstanding (16·10 lakhs) represents the total amount of *suspensions* hitherto allowed in these districts in consideration of the famine losses. It may be noted not a pie as yet has been *remitted* here, in so far as could be gathered from the Administration Reports.

Such a close collection of the State demand during a period of such unprecedented misfortunes best serves to illustrate the cast-iron stringency of our existing land revenue system.

The main facts in the revenue history of these zillas during the decade, to which attention is respectfully invited, are these—

(1) Increase of revenue, secured largely by enhancements of rates on revisional settlement under such circumstances.

(2) Stringent collection of revenue during these years of distress, so as to leave a bare 4 per cent on the total demand as an outstanding arrear.

(3) The small arrears so left uncollected, representing all the suspensions hitherto allowed in these districts in consideration of famine losses.

(4) No remissions so far.

These facts may be left to speak for themselves. No comment is needed to mark the character and operations of a land revenue system which so far ignores concrete conditions and works on *a prior* theories, as to permit of the imposition of enhancements of assessments on revision even in calamitous years, and insist on a stringent collection of the State demand even from a starving and suffering peasantry, and does not easily lend itself to any large policy of suspensions or remissions even in such seasons.

It is, however, clear from the brief sketch attempted above of the ryot's economic position in these zillas at the end of the decade, that even if the whole of the outstanding arrear (16·10

lakhs) were remitted, it would bring him no adequate relief. With his means all exhausted, with an increased burden of added debts to bear, and with his cattle dreadfully reduced in numbers, it would appear that he would not be able for years to come to easily pay up the existing assessments which he finds in those districts even in normal years too heavy. And what is wanted to assist him in his efforts to recover from the "crushing blows" of the past decade is a material alleviation of the burden of the State demand upon the land.

And I would venture respectfully to suggest that an all-round 30 per cent reduction in the existing assessments in districts such as these, as in the case of non-paying areas, would be a most welcome measure of special help to these poor and distressed cultivating populations, and give them heart and hope in a way in which nothing else could, in their present despairing struggles, to emerge from the disheartening wreckage of calamitous famines, and recover their lost position. And in conclusion, I may be allowed to express a confident hope that while restorative measures of special help for the cultivating classes are under the consideration of Government, the claims of distressed districts, such as these the economic position of which I have attempted above, to generous treatment may receive due recognition. Apologising for the length of the letter,—I am, yours, etc.

THE LAND REVENUE PROBLEM.*

VII.

A CRITICISM OF THE NEW SCHEME.

In previous letters I examined at some length the incidence of our existing assessments in respect of *non-paying* occupied areas. Passing on to a study of the zone of profitable cultivation proper, I took up in my last communication some of the distressed districts in the Presidency, which appeared to me to be just on the economic margin—lying close to the dividing line, and after submitting a brief sketch of the condition of the rural classes in three such zillas of the Deccan upland, ventured to conclude with an earnest appeal to the authorities to accord to these suffering populations—in view of the exhausting struggles of the past decade—a generous treatment and some material alleviation of their existing burdens. The appeal, apparently, has not been in vain; and it is encouraging to observe that this whole question of relief for the famine-stricken tracts is at present engaging the most serious consideration of Government. Liberal suspensions and remissions of land revenue and temporary reductions in the state demand in special cases are promised, and besides, Government has under contemplation a much larger scheme of restorative and protective relief—which alone, in its opinion, can assure the economic future of the distressed agricultural classes in the Presidency, and of which we have the main lines sketched out in the Hon. Mr. Monteath's speech at the Mahableshwar meeting of the Legislative Council last month. All indications thus point to a most gratifying awakening at head quarters to the hard actualities of the present position and its requirements—an awakening on which the Presidency may well congratulate itself.

As far however, as it is possible to judge from the Hon. Mr. Monteath's explanatory statement in Council, the new scheme Government has under consideration seems to be a most retrograde, unsound, and revolutionary scheme—based on a grievous misapprehension of the fundamental conditions of the problem that confronts us—and almost certain to end in melancholy failure. It is no doubt framed in accordance with the present trend of official opinion on the subject; but the Honour-

* This letter appeared over the signature 'J.' in the *Times of India* dated 29th June 1901.

able the senior member of Council himself is diffident about the practical working and eventual success of the proposed measure; and I venture to think the Presidency will not only share his diffidence, but as soon as it recovers from the shock of surprise will go further, and condemn it in no uncertain voice as a perilous experiment in *land nationalization*—proposed to be tried on an extensive scale, and by methods little short of revolutionary—ostensibly for the ryot's good, but in reality at his expense and in pursuit of a *doctrinaire* hobby—not improbably with an eye to prospective increase of revenue. The changes effected in the agrarian system of the Punjab by the recent Punjab Land Alienation Act are as nothing when compared with the vast revolution in the economy of rural life in Bombay it is deliberately sought to work out under the new scheme—advantage being taken of the unprecedented misfortunes of the past few years and ryot's great distress and difficulties in consequence. The unfortunate ryot has been made the subject of experiment for the past sixty years—and with what result we all but too plainly see—and public opinion, I am sure, will be unanimous in deprecating any more similar experimental measures of doubtful justice and expediency which could only tend to make his lot worse than ever, and sink him to lower depths of wretchedness. A brief examination from the point of view of the ryot and his interests of this proposed scheme of agrarian reform, as unfolded in the Hon. Mr. Monteath's speech and the arguments by which it is supported may not be without its use.

On a general view of the matter, and taking the revenue history of the past few years as a test, the Hon. Mr. Monteath in his speech divides the Presidency into two broad areas:—

(1) A flourishing area where, judging from the easy collection of the State demand during these years of stress, it is clear the ryot is fairly well off and prosperous under the survey tenure, with its long leases and low assessment, and needs no relief.

(2) A distressed area where there is a heavy uncollected arrear of land revenue, and the ryot is manifestly at the end of his resources—broken and depressed—and in sore need of relief and special assistance. It is this latter area Government proposes to take in hand and deal with under the new scheme.

It may be in the recollection of your readers that while writing about these distressed areas a few days since, I ventured to suggest that, besides suspensions and remissions of land

revenue, considerable reductions in the existing assessments were required as a supplementary measure of relief. Government, however, has apparently little faith in such measures which, in its view, only involve a loss of revenue to the State without bringing any commensurate relief to those for whose benefit they are intended. The evil is, it thinks, much deeper-rooted, and much more serious, and cannot be remedied by what at best are mere palliatives.

The official view of the position may be briefly stated. The poorer ryots are, where we find them to be, on the verge of economic ruin—sunk in debt and virtually predial serfs of their usurious *sawkars*—not because, as is commonly but erroneously believed, of recurring droughts and crop failures—though these of course must have some temporary depressing effect,—but chiefly because of their extravagance and the reckless use they make of their borrowing power as free proprietors of the acres they hold. They always spend more than they ought, seldom save, and keep continually borrowing and borrowing till they can borrow no more. Their means and credit being thus alike exhausted—when a time of trial comes, they stand hopeless and helpless, unable to pay their dues and maintain themselves and their families. Such is practically the condition of three-fourths of the poorer occupants of the soil throughout the Presidency. Such wide-spread agricultural indebtedness, involving a wholesale subjugation of the cultivating classes to the money-lenders, is a serious social and economic evil, and the increasing transfer of land to the non-agricultural classes that is going on is, in the words of the Hon. Mr. Monteath, "a public calamity." Clearly the survey tenure which recognises these ryots as free proprietors of their holdings and lets them do with them what they like, does not suit them, they are indeed too ignorant and rude to profit by it. And the authorities strongly hold that no scheme of remedial action, intended to rectify the present state of things and ameliorate the condition of these poorer occupants, can have the smallest chance of success, which does not place them under a simpler and less onerous tenure, relieving them of the responsibilities of a free proprietary status for which they are utterly unfit, and otherwise limiting their borrowing power and putting a check on their present ruinous reckless extravagance. Such is, as far as I see, the official estimate of the situation and its needs. It is scarcely necessary to point out how essentially faulty and one-sided such an estimate is, taking account of but one factor—and that, too, in practical operation,

a minor and subordinate factor—in the problem, and leaving out every other. It is of course not contended that the Bombay ryot has the thrift or foresight, resourcefulness or self-reliance of the French or Belgian farmer; but to hold as the Bombay authorities do, that his habits of reckless living and borrowing are the *fons et origo* of the whole agrarian difficulty, and that, but for his recklessness, no cultivator in the world could be better off than he, is, I submit, to altogether misapprehend the situation and at the same time to do him grave injustice. For, it is only fair to recognise the fact that, his alleged recklessness apart, his necessities often arise from causes over which he has no control. There is, first, the crushing pressure of the State demand on his land, which leaves him but a narrow and (over wide areas) a narrowing margin for subsistence and savings. There is next, the relentless rigidity with which that demand is enforced in good and bad years alike—and even during a succession of calamitous seasons. There is, again, the inexorable economic law of "diminishing returns" to labour—his land fast deteriorating and yielding year after year poorer crops. There are further, the violent fluctuations of the seasons which leave him no rest and no ease, and now and again inflict on him heavy losses of crops and cattle. But above all, there is the increasing stress of a hard economic situation which hems him in and presses him on all sides and if under such circumstances the unhappy ryot struggles hard to hold his own, and maintains his standard of comfort by borrowing in lean years, if need be, on the security of his acres, rather than forfeit his ancestral rights and face starvation, can it be right to condemn him as "reckless" and extravagant, and under the plea, take away from him what is indeed his only anchor of economic safety and shelter in times of stress—his proprietary rights in the soil!

But, further there is a tendency in certain quarters to exaggerate the extent to which the ryot makes use of his borrowing powers, and borrows by pledging his land in security, and to condemn him just when he exercises the greatest self-denial and deserves praise for the most cautious and sparing use he makes of his credit as a free proprietor of his holding. No peasant in the world is so passionately attached to his ancestral acres as the ryot in rural Bombay, and those who know him will readily admit what a mental wrench it is to him to part with his land. And it is a constant struggle with him to avoid that painful

necessity as long as he can. In good years he does not usually borrow much by pledging his land. Taking the nine years 1883–1891, which were on the whole fair years, and confining our view to the four zillas of Poona, Sholapur, Nagar, and Satara under the Deccan Agriculturists' Relief Act, we find that the aggregate annual transfers of land by agriculturists by sale and mortgage averaged no more during the period than 2·7 per cent of the total occupied area (=101·1 lakhs of acres in 1891-92) of which 9 per cent represented the area sold—an annual amount of land alienation neither abnormal nor alarming in an arid tract like the Deccan upland, where the soil and climatic conditions are so unfavourable to the prosperity of agriculture. The subjoined table compiled from statements given in the report of the D. A. Relief Act Commission of 1891-2, pages 8—21, will be of interest :—

Table showing transfers of land by agriculturists in the four D. A. R. Act Districts, total assessment=67·1 lakhs of rupees and occupied area=101 lakhs of acres.

9 Years—1883 to 1891.

Kind of Transfer.	Transfer to non-agriculturists.		Transfer to agriculturists.		Total transfers in acres.	P. c. of total occupied area.
	Area in acres.	P. c. of total occupied acres	Area in acres.	P. c. of total occupied area.		
Sales	2,76,766	2·9	5,32,292	5·3	8,29,058	8·2
Mortgages with possession	6,07,330	6·0	4,74,519	4·7	10,81,849	10·8
Mortgages without possession	3,66,935	3·6	1,56,711	1·5	5,23,646	5·2
Total for the period ...	12,51,031	12·7	11,63,522	11·6	24,34,553	24·3

Annual average during the Period.

Sales	32,974	·32	59,143	·59	92,117	·9
Mortgages with possession	67,481	·67	52,724	·52	120,205	1·2
Mortgages without possession	40,745	·4	17,412	·17	58,157	·5
Total annual transfer...	1,41,200	1·4	1,29,279	1·29	2,70,479	2·7

From the foregoing table it will be seen that in these four Deccan zillas for which alone any statistics of the kind are available—where agriculture suffers most from the capriciousness of the climate—the annual transfers of land on an average come up in fair seasons to about 27 *acres* per 1,000 acres of occupied area, 9·2 acres by sale, 11·9 by mortgage with possession, and 5·7 acres by mortgage without possession; and that of these 27 acres per 1,000 of total occupied average, just a trifle over 14 *acres pass from the agriculturist to the non-agricultural classes*—3·2 *by sale and the remaining* 10·8 *by mortgage*—annual transfers which do not show that even the Deccan ryot is, at least in average years, the reckless borrower he is depicted to be.

In bad years, no doubt, the ryot is forced to part with a larger breadth of his acreage. But even in such times he seldom sells his land. He only mortgages it—in the hope that with the return of better seasons he may be able to redeem it. Mortgage—and even mortgage with possession—is not equivalent to sale, and does not represent any permanent alienation. And when such seasons come, he makes strenuous efforts to pay off his mortgage debts, and redeem his mortgaged acres—and, if the encumbrances are not too heavy,—fairly succeeds in recovering the grounds lost. The experience of the famine of of 1876-7 affords a most striking illustration of the ryot's care and caution in the matter and of the stubborn tenacity with which he clings to his ancestral acres, and the energy with which he struggles to retain hold of them. Mr. Woodburn in his report on the working of the Deccan Agriculturists' Relief Act, dated April 27, 1889, gives in paragraph 30 a most suggestive table compiled from the village rent-rolls, showing for several districts how much of the occupied area was held in

proprietary right by the *sawkars* before the famine of 1876-7, and ten years later *i.e.*, in 1887-8, and the figures as given below for the six zillas of the Central Division which suffered most in the famine may be perused with interest :—

Districts.	Share of land held by *sawkars*. *1876-7.	Share of land held by *sawkars*. 1887-8.	Increase + Decrease—
	p.c.	p.c.	p.c.
Khandesh	8	10	+2
Nasik	8·2	10·5	+2·3
Poona	13·7	13·7	...
Nagar	13·8	12·9	—·9
Sholapur	10·3	10	—·3
Satara	5·2	6·4	+1·2

The famine of 1876-7 was a most calamitous famine, and the ryot's losses in the zillas in respect of crop outturn and cattle were heavy, ten to twelve crores of rupees according to official estimates. And, yet, there was but a small increase during the period in the area held in proprietary possession by the *sawkars*. In three out of the six zillas there was not only no increase, but in two of them there was a positive improvement in the matter, the ryots having bought some of the *sawkars'* lands. And even as regards mortgages, we have a similar gratifying improvement to record. During the famine and the next few years these must have been both numerous and extensive. But when the trying time passed away, and the ryot had a spell of good seasons, he must have put forth great efforts to clear off the encumbrances of the period of distress. For, by the year 1887-8, we find him once more in calm waters, his heavy mortgages covering, as per following table, a comparatively small area :—

Districts.	Area of mortgages with possession in 1887-8.
	p.c.
Khandesh	6·7
Nasik	7·9
Poona	11·2
Nagar	9·5
Sholapur	9·4
Satara	11·7

* "I selected the year 1876-7," writes Mr. Woodburn, "as showing the state of matters before the famine."

The official statistics on this point are unfortunately not so full as one would desire, but, as far as they go, they unmistakably point to the conclusion that after having passed through the fearful ordeal of a disastrous famine, the ryot in these Deccan districts during this remarkable decade (1877-8—87-8) more than recovered his lost position. We have here nothing like reckless living or borrowing on his part or reckless parting with his proprietary rights in the soil—which would go to support the official theory as to the causes of his indebtedness; and we may take it that Ramji bin Raoji, when he only gets fair play and a fair chance, will hold his own—even against heavy odds—with his native tenacity and force of character.

To come to recent years—we see the ryot's difficulties begin afresh with the beginning of the past decade. And in the D. A. Relief Act Districts his alienations of land by scale and mortgage have been alarmingly on the increase. *En passant*, it may be remarked that the Hon'ble Mr. Monteath's figures relating to these transfers are not very clear. Presumably, they include both sales and mortgages with possession. They compare as below with the corresponding figures for 1887-8 as given by Mr. Woodburn in his report, paragraph 30. The Hon. Mr. Monteath's figures would make out an improvement in Poona and Satara and but a small deterioration in Sholapur—not a very likely thing, considering the misfortunes of the past few years.

P. c. of occupied areas sold and mortgaged with possession by Agriculturists.

Districts.	Mr. Woodburn's figures for 1887-8.	Hon. Mr. Monteath's figures for 1900-01.
Poona ...	24·9	24·5
Nagar ...	22·4	35·
Sholapur ...	19·4	22·
Satara ...	18·01	12·5

Be that, however, as it may, it is undeniable that in these districts these transfers of land have been increasing on a fearfully extensive scale, as will be seen from the table below, put together from figures in the Special Judge's annual report:—

Value of sale and mortgage-deeds executed by agriculturists, and estimates of transferred acreage.

Years.	Values in lakhs of Rs.			Estimate of acreage transferred in lakhs of acres.		
	Sales.	Mortgages.	Total.	Sales at Rs. 5 an acre.	Mortgages at Rs. 12 an acre.	Total.
Average of 5 years 1885-89 ...	17·12	31·45	43·57	*1·14	2·62	3·76
1890.....	19·95	43·65	63·60	...	...	...
1891.....	20·83	45·49	66·32	...	...	...
1892.....	23·35	48·67	72·02	...	...	...
1893.....	28·93	58·79	87·72	...	...	...
1894.....	28·60	56·87	85·47	...	...	...
Total for 5 years	121·66	253·47	375·13	...	...	...
Annual average ...	24·33	50·69	75·02	1·62	4·22	5·84
1895.....	31·50	61·84	93·34	...	...	...
1896.....	29·95	58·24	88·19	...	...	...
1897.....	31·22	69·62	100·84	...	...	...
1898.....	32·49	55·31	87·80	...	...	...
1899.....	29·34	42·80	72·14	...	...	...
Total for 5 years	154·50	287·81	442·31	...	...	...
Annual average during the quinquennium ...	30·90	57·56	88·46	2·06	4·79	6·85

[*This is my own estimate based on the values per acre realized in 1891—sales at Rs. 15 per acre and mortgages, with and without possession, together—at Rs. 12 per acre. No official estimates are available.]

From the foregoing table it will be seen how enormously these annual average transfers of land by sale and mortgage have gone up during the past two quinquennial periods, as compared with those of the five years previous. The increase in mortgages, however—large no doubt as it is, the mortgaged area having advanced from 2·62 lakhs during 1885-9 to 4·79 lakhs of acres during the past quinquennium—need not alarm us. These mortgages—whether with or without possession—are still within redeemable limits, and the ryot may—when good seasons come again—reasonably hope to get back his mortgaged acres—as he was able to do after the famine of 1876-7. But the increasing sales of land are a more serious and disquieting feature of the situation—the annual average having mounted up from 1·14 lakhs during 1885-9 to 2·06 lakhs of acres during the past five years. Taking the total sales of the past decade, they amount in value to over 276 lakhs of rupees, and at, say, Rs 15 per acre—represent an area of 18·4 lakhs of acres, or about 18 per cent of the total occupied area in these four zillas; and further, of this area, half of 9·2 lakhs of acres—at the lowest estimate—must have passed from the agriculturists to the money-lending classes.

Nine lakhs of acres thus gone under these forced sales permanently from the ryot's hands into those of his *sawkar*—this is undoubtedly a heavy and alarming disturbance in the normal disposition of landed property and landed rights in the rural parts and justifies grave anxiety. But the cause of such extensive alienation of land is to be sought, not,—as the Bombay authorities would have us do—in the reckless borrowings of the ryot or his borrowing propensities, but in the unparalleled misfortunes which have befallen him during the past ten years. The decade has been, as I showed on a former occasion, a most disastrous decade to the agriculturist. It has been a decade of unfavourable seasons—(only one good year in ten)—and failing crops, of enhanced assessments and the stringent levy of the State demand, of increased taxation and new currency legislation; and the ryot's losses in respect of crops and cattle alone come up in these four Deccan districts—at the lowest computation—to about 19—20 crores of rupees or, say, 30 times the total assessment—(=67 lakhs)—not to mention a 25 to 30 per cent reduction in the value of his silver savings under the currency law. And, if, so hard-hit and hard-pressed, and with his means and savings all swept clean,

if the ryot has borrowed on the security of his lands —his mainstay and sheet-anchor of safety in times of trouble—partly for the maintenance of himself and his family during seasons of drought and crop failure and to save himself and them from the degradation of going to break metal at Government relief works—and partly for the payment of his assessments to preserve his ancestral acres from the dreaded penalty of forfeiture in case of default, is it just to set him down as the Bombay authorities do, as a reckless borrower, recklessly parting with his lauded rights, condemn these, his forced alienations of land, as a public crime, and deprive him by way of penalty of his most cherished rights? But prejudices—particularly bureaucratic prejudices—die hard; and the Bombay ryot has ever been the victim of bureaucratic prejudice as certainly as he has been the victim of the season.

But further, the ryot is just now in the lowest depths of wretchedness and despair—and still on the downward incline! If, however, even now, by the mercy of Heaven, good seasons return, as we all hope and pray they may, and he gets an opportunity, there is warrant for the hope that he will strive and struggle with his characteristic energy and persistence, as he did during the decade which followed the famine of 1876-7, to repair the ravages of the past, and recover the ground he has lost, and will succeed. But Government sees no such prospect, and no ground for such hope, and is unwilling to wait and let the ryot have his wished-for chance and opportunity. Accordingly, instead of assisting him in his efforts to recover from the depression by sympathetic and generous treatment in the matter of assessments and revenue collections, and in other ways, Government proposes, in the name of public interests, to take him at a terrible disadvantage, and condemning him for doing what every farmer in the world would have done under similar circumstances, pronounce him to be no longer fit to hold his lands in proprietary possession. And a revolutionary scheme of agrarian change on the lines of land-nationalisation theories is formulated, under which his proprietary rights in the soil will be taken away from him, and he will be placed under an inferior tenure, and degraded—not for his faults but for his misfortunes—from the proud position of a free proprietor of his acres—for which, it is urged, he has proved himself unfit by his recent "reckless" alienations of land—to what is scarcely distinguishable from the status of an *ad scriptus glebæ*. It is some such change in the agrarian system of the

Presidency—especially in the distressed parts—that alone appears to Government to afford the most effective solution of the agrarian problem. And further, so strongly are the authorities impressed with the necessity of carrying it out at once that they plead urgency for it, and ask the Legislature in the new Land Revenue Bill to give them the requisite legal powers with the least possible delay. The present state of things in regard to revenue collection over a large part of the Presidency seems to offer in their view a golden "opportunity" for giving effect to the scheme—an opportunity which may not recur, and which Government is resolved not to let slip through its fingers.

It is unfortunate, it is deplorable, that there is such a misreading of facts, such a misinterpretation of the phenomemon at head-quarters, and still more so, that a scheme of practical action has been decided on, based on such a wrong appreciation of the situation.

Here I conclude, and apologizing for the length of the letter and reserving for another occasion a further examination of the new Government scheme of land reform, beg to remain—

THE LAND REVENUE PROBLEM.*

VIII.

The Plan of Forfeitures.

As I endeavoured to show on a former occasion, the ryot's embarrassments on this side of India are mainly attributable, not so much to his want of thrift or improvident borrowing as to the combined operation of causes—climatic, economic, and other—over which he has no control. No farmer in the world is more handicapped in the race or has greater difficulties to contend against than the Bombay cultivator. With all his thrift he thrives not; and his is an unceasing struggle to hold his own against heavy odds. And an estimate of his position which ignores these adverse conditions under which he lives and works is not only inconsistent with the facts, but does grave injustice to him. The Bombay authorities, however, think otherwise. They strongly hold the view that the ryot is a reckless borrower—freely and without a thought for the morrow, parting with his proprietary rights in the soil, and hopelessly sinking fast, under the growing weight of his debts so recklessly incurred, to the position of a predial serf working for his usurious *sawkar*. He is a most improvident cultivator, too ignorant to appreciate either the privileges or the responsibilities of a free proprietary *status* and the survey system which gives him such a status and lets him do what he pleases with his acres, is evidently a mistake and does not suit him. Accordingly it is proposed, under the new scheme of agrarian change, to take away from him his unlimited rights of property in the soil, including the right of free alienation he knows not how to exercise, and by placing him under an inferior, non-proprietary tenure, under which he will be effectually kept out of harm's way, give him again a fresh start in life. And the state of land revenue collection at the present moment affords to Government an opportunity, such as may not recur, of giving effect to the contemplated scheme, and initiating a new departure in the agrarian system of the Presidency, with a view to the amelioration of the lot of the broken peasantry in a way and under conditions which, while they entail no charge on the finances of the State, involve absolutely no interference with vested rights.

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* This letter appeared over the signature 'J.' in the *Times of India* dated 13th July 1901.

Owing to the more or less disastrous crop-failures of the past five years, and there having been practically no remissions, we have just now a heavy arrear of land revenue outstanding in the Presidency, amounting approximately to 133·4 lakhs (exclusive of Poona, for which zilla the figures are not available) or 46 per cent of the total average demand. The sub-joined table given the realizations and outstanding balances during these six years :—

Land-Revenue Collection—during 6 years—1895-96—1900-1.
(In lakhs of Rupees.)

Year.	Revenue for collection, including past arrears.	Total realizations including arrears.	Balance out-standing at the end of revenue year—*i.e.*, on 1st August.			Remission for failure of crops.
			on account of current year.	on account of past year.	Total out-standings.	
						Rs.
1895–96 ...	301·99	300·10	·91	1·05	1·97	699
1896–97 ...	303·57	289·40	13·10	1·00	14·10	1,114
1897–98 ...	316·14	307·56	5·76	2·81	8·58	864
1898–99 ...	311·90	304·13	4·60	3·16	7·77	671
1899–1900..	309·71	216·05	87·69	5·96	93·66	1,30,105
1900–1* ... (Estimate).	375·60	242·2	67·07	66·33	133·40	...
				Total Rs. ...		1,34,153

The year 1895-96 closed with practically a clean balance sheet. The arrears begin to increase with the famine year 1896-97; but the next two years having been somewhat more favourable, there was at the end of 1898-99 an uncollected arrear of only 7·7 lakhs. The year 1899-1900 followed, the most calamitous year of the century, showing an uncollected balance of 93·6 lakhs. The present year has not been very favourable, and only a moderate collection is anticipated, and according to present estimates, the outstandings at the close of the six years' period aggregate 133·4 lakhs. The remissions during the period amount to but $1\frac{1}{3}$ lakhs of rupees on an aggregate demand of 1,918·8 lakhs! The outstanding arrears are thus distributed :—

* The figures for the current year are approximate estimates as per tables laid befors the Legislative Councils at the recent Mahableshwar meeting. They are exclusive of Poona, for which zilla the necessary statistics are not available.

GUJERAT.

(In lakhs of Rupees.)

Districts.	Average land revenue demand.	Outstanding arrears.			Estimate of occupied area under arrears.
		On account of past year.	On account of current year.	Total outstandings.	
Ahmedabad ...	15·38	11·53	8·79	20·32	70 p.c.
Kaira	21·25	10·88	7·43	18·31	50 p.c.
Punch Mahals ...	3·25	1·89	2·97	4·86	90 p.c.
Broach	22·33	16·64	4·02	20·66	75 p.c.
Surat	23·77	·73	2·51	3·24	10 p.c.
Total ...	86·00	41·67	25·72	67·39	51 p.c.
DECCAN.					
Nasik	15·46	1·38	4·85	6·23	31 p.c.
Khandesh ...	40·48	3·58	4·38	7·96	10 p.c.
Nagar	16·41	8·12	9·76	17·88	60 p.c.
Sholapur	11·37	2·54	5·05	7·59	45 p.c.
Satara	19·42	3·71	6·35	10·06	34 p.c.
Total ...	103·15	19·33	30·39	49·72	30 p.c
KONKAN AND S. M. DISTRICTS.					
Thana	12·92	...	·17	·17	...
Bijapur	14·10	3·27	7·10	10·37	50 p.c.
Belgaum	15·53	·18	1·25	1·43	8 p.c.
Dharwar	25·03	·08	1·71	1·74	7 p.c.
Kolaba	12·71	·03	·09	·12	...
Ratnagiri ...	9·08	1·59	·37	1·96	18 p.c.
Canara	10·19	·15	·29	·44	2 p.c.
Total ...	99·59	5·33	10·98	16·31	12 p.c.
Grand total for 17 zillas of the Presidency ...	288·74	66·33	67·07	133·4	30 p.c.

As will be seen from the foregoing table, the outstanding balances of land revenue in the Presidency—exclusive of the Poona zilla—by the close of the current financial year, will be, according to present anticipations, about 133·4 lakhs, or 46 per cent of the total land revenue demand. The Hon. Mr. Monteath's figures relating to these arrears are obviously for past years, and do not include the current year's outstandings. Further assuming that in the case of certain holdings two years' assessment is in arrears, and in the case of others, one year's, and taking the larger of the two arrears—amounts (for current and for past years) as fairly representing the occupied area in respect of which the arrear is due,—we find, as given in the last column of the table that such area comes to about 30 per cent of the total occupied area in the Presidency. These holdings, besides, must be more or less inferior holdings and allowing, say, 10 per cent more area for lighter assessments, we may not be far wrong if we put such area at about one-third of the total.

Briefly, the outstanding arrear and the occupied area in respect of which there is the arrear are :—

	Arrear in lakhs.	Occupied area.
Gujerat Districts.....	67·39	55 per cent.
Deccan ,, ...	49·72	30 ,,
Konkan and S.M. Districts..	16·31	13 ,,
Total.....Rs.	133·4 lakhs.	33 per cent.*

This is the amount of arrears, and this the extent of occupied land to which the present proposals of Government relate.

Never before in the fiscal history of the Presidency was there so large an arrear of land revenue outstanding and over such an extensive area. There was no such failure during the famine of 1876-77, and the four unfavourable seasons which preceded it. Even the famine of 1896-97 passed off with but a small uncollected balance. The extensive default during the last and current years is absolutely without precedent; and to the extent to which it is not due to contumacy or illicit combinations, reveals a state of things in the rural parts which demands serious attention. It not only points to a new source

* Of the total area of (say) 92 lakhs of acres.

of danger to the finances of the Presidency, but indicates the existence of a degree of distress and an exhaustion of resources among the poorer classes of cultivators which cannot be contemplated without grave anxiety. It is these occupants who are for the most part in arrears. Surely those of the ryots, who after three or four bad seasons find themselves so utterly without means and without credit as to be unable to meet their obligations, cannot be said, in the opinion of Government, to be well fit and able to profit by the survey tenure under which they at present hold, and the exceptional advantages it offers. They are among the most thriftless and improvident of cultivators—always living beyond their means, and piling up debts in good years on the security of their acres—so that when a bad season comes they have little to fall back upon in the shape of savings or unexhausted credit. And Government is firmly persuaded that the best way to help such peasants is not to give them remissions—which could only benefit the *sawkars*—but to place them under a simpler and less onerous tenure under which they would have no temptation and no power to ruin themselves by reckless borrowing. Remissions in their case would be a sacrifice of revenue without any adequate *quid pro quo*; and besides, it ought not to be forgotten that a policy of remissions in bad years—albeit it has the sanction of the highest authorities—is altogether opposed to the fundamental principles of the Bombay survey, under which the assessments are pitched so low, and the amplest allowance is made for all the alternations of the seasons.

For these and like reasons Government decides against the grant of any remissions to these cultivators who are so heavily in arrears, and proposes—in their interests—and in order to give them fresh chance and under easier conditions, to enforce the penalty of forfeiture for such default as provided for under the Land Revenue Code (Sections 56 and 150), and declaring all such holdings—in respect of which the arrears are due and left unpaid—*forfeited*, and re-grant them to the defaulters under a new tenure, and on terms on which, and on which alone, hey can ever hope to improve their lot.

The experiment of the penalty of forfeiture for default on so extensive a scale, and in a season of such suffering and distress, is no doubt an unusual procedure. But it is a necessary means to the end proposed—an indispensable step in the process. Such forfeiture alone will completely wipe away from the lands both the ryot's proprietary rights and the *sawkar's*

pecuniary claims, and clear the ground for the experiment. In no other way can we have such a thorough clearance of existing encumbrances, and obtain the *tabula rasa* we require for the new scheme. The heavy incubus of the past must be taken off the land before we can embark on a new departure with any chance of success. And Government thinks that there can be no better opportunity of effecting such a clearance without any cost to the State, or interference with vested rights than the present, when there is such wide default, and forfeiture is one of the permissible penalties under the law. Exceptional situations demand exceptional measures. *Necessitas non habet legem.*

It will undoubtedly be frankly recognised that there is a good deal of force in the case for forfeiture so put. But we cannot conceal from ourselves that the method, whatever the justification for its employment in the expediencies or necessities of the case, is nevertheless open to grave objection on more grounds than one.

(1) In the first place it may be urged that the end—however good and desirable—cannot be held to justify the means employed; nor can these wholesale forfeitures be deemed the less revolutionary method, because they are intended to subserve an important object.

(2) Secondly, it may be pointed out that forfeiture is after all an extreme penalty for default under the Land Revenue Code, to be enforced only in exceptional cases and when every other process laid down in the Code for the recovery of arrears has been tried and found ineffective. And even so, it will be admitted that an extensive resort to the method—such as is now proposed so as to bring one-third of the total occupied area in the presidency under the forfeiture clauses of the Code—and that, too, with the deliberate object of wiping away all rights and claims on the lands so forfeited in order to destroy the existing tenure sanctioned by the Code, and create in its stead a new one—cannot but be opposed to the spirit and tenor of the Code itself, and otherwise repugnant to all ideas of legal consistency. It was only in the early years of British rule in India, when things were in a chaos, and land revenue methods were at the experimental stage, and when official opinion—notably in the Madras Presidency,—swung violently round from one land theory to another, that such agrarian changes were carried out in this way, and the village system was made to

give way to the zemindari and the zemindari in its turn was superseded by the ryotwari. But ever since things settled down about the middle of the past century, and land tenures and land revenue methods were put into their present frame, there has been no instance of such a change so carried out.

(3) It may further be submitted that the enforcement of such a penalty for default in the payment of land revenue—under circumstances under which such default is not on offence but a misfortune—in seasons of drought and crop-failure—however excellent the object for which it is carried out, is entirely against all the hitherto accepted and declared principles of famine relief, and will stand out in the history of famine relief administration in this country as a solitary instance in which the ryot's difficulty is so adroitly converted into the official experimenter's opportunity.

(4) So, again, it does not seem sufficiently realised that under this proposed plan of forfeitures it is the ryot, for whom all this is meant, who suffers most, and that, too, not for his faults but for his misfortunes. The assessment on his acres is about the heaviest in India and falls on his slender means with crushing pressure, and the oft-repeated assertion as to its being exceedingly moderate or even light is a mere *ipse dixit* of an irresponsible bureaucrat without any the slightest warrant in the facts of the case. And other adverse conditions concurring, his is always a hard struggle for existence. Under such circumstances, exhaustion of resources during a succession of calamitous seasons is no sin, and a consequent failure to pay up the assessment is no crime for which it can ever be right to exact a penalty. But all these considerations are put on one side, and it is proposed, under the *forfeiture* clauses of the Land Revenue Code, to take away from him his dearly cherished proprietary right in the soil as a penalty for default, and push him down to a lower platform of life. His proprietary rights thus extinguished, he no doubt gets a discharge from his arrears. But that does not give him a release from his other liabilities. These liabilities will remain, enforcible by proceedings in the Civil Courts: only his power to meet them is much reduced. The *sawkar* is well able to take care of himself: the ryot is helpless and suffers.

Such a wholesale washing away of the ryot's rights in the soil, however, such a cataclysm of existing interests in the land, proposed to be carried out under the forfeiture clauses of the

Land Revenue Code over a third of the Presidency—whatever the high considerations of policy which have dictated it, will, I am afraid, be widely resented and denounced as a measure of spoliation even worse and more high-handed than the confiscatory proceedings of the Inam Commissions of the middle of the past century. For a parallel we may have perhaps to go back to the times of the Licinian Rogations and the Gracchian legislation in the history of Ancient Rome. But even the plans of the Gracchi brothers were not so revolutionary, as providing ample compensation for extinguished landed rights. But the Bombay Government is acting in the matter within its legal powers under the Land Revenue Code, and *salus populi suprema est lex* is the most cogent plea it has for all its proceedings.

It is still uncertain how much land will ultimately come under the forfeiture penalty. It has been announced that Government does not wish to enforce such forfeitures till after the passing of the new Revenue Bill and without due notice to the parties concerned. During this period of grace, I apprehend, there will be desperate efforts all over the Presidency to pay up the arrears, on the part of the ryot, to save his occupancy rights, which even now must be to him worth more than those arrears; on the part of the *sawkar* to retain hold of his mortgage securities. In either case, the ryot loses. If he pays up the arrears himself, he can only pay out of borrowed money; if the *sawkar* pays for him to prevent forfeiture under Section 80 of the Land Revenue Code, he will be entitled under Section 72 of the Transfer of Property Act (1882) to add up the amount he so pays to the existing debt on the land. Either way, the ryot's burdens increase. And conceivably the effect of such added debt will be—especially in the case of mortgages with possession—to force on sales.

These forfeitures, however, are only one step in the process. There is yet another—still more revolutionary. These forfeitures carried out and some ninety-two lakhs of acres of occupied land in the Presidency forfeited and duly declared to be the property of the State, Government desires to add to them all cultivable

waste lands (about seventy-seven and a half lakhs in the Presidency) and deal with the aggregate area of 170 lakhs of acres (half the total occupied area in the Presidency) under the new scheme.

Over this extensive area, it is proposed to create a new and special tenure on a non-proprietary basis, on the lines of a similar tenure established in the Chenab Valley in the Punjab under Act III of 1893 of the Supreme Legislature, or in the Nara Valley in Sind, under Bombay Act III of the 1899. Under the new tenure, the lands will be retained as the property of Government, and let out on short leases to cultivating tenants who will have neither the right of permanent occupancy nor the right of free transfer as the survey occupants have under the Land Revenue Code (Sections 68 and 73). The Punjab Alienation Act (No. XIII of 1900) only modifies one incident of the land tenure as by law established—*restricts* and *regulates* the ryot's exercise of the powers of alienation of land. Under the Bombay scheme it is proposed to abolish entirely the right of transfer.

But there is a legal difficulty in the way. The Bombay Government in its executive capacity has no power under the Land Revenue Code to create such a tenure even in the case of these waste and forfeited lands, hence its appeal to the Legislature, as embodied in the new Land Revenue Bill. But the appeal itself, in the form in which it is addressed, raises a constitutional question of the gravest moment. Government does not ask the Legislature to create the desired tenure by a positive enactment but demands the requisite powers under the amending provisions of the Bill (Sections 8-9) for itself to be able to create *it* in its capacity as an executive Government, and by an executive order. Briefly it is an appeal submitted by an executive Government to a Legislature for authority to assume some of the powers and functions which peculiarly appertain to the Legislature, and that, too, in a matter which concerns the welfare of millions of poor people. Nowhere in British India is land tenure a matter left to be dealt with by

the local executive authorities at their discretion. It is in all provinces—not even excluding the Scheduled Tracts and Districts under the Act of 1874—governed by positive law and regulation. Even in the non-regulation province of the Punjab, when it was deemed expedient to create a special tenure in the Chenab Valley some eight years ago, special legislation was had recourse to, and Act III of 1893 (—for the grant of special tenures in certain Government lands in the Punjab—) was passed by the Supreme Legislature. Similarly Bombay Act No. III of 1899 was passed for special occupancies in Sind. The Bombay Government, however, on the present occasion and in a case in which it has to deal with a third of the Presidency, does not desire to have any of the cumbrous machinery of special legislation with its necessary concomitant of Court intervention, and proposes to take power under the new Land Revenue Bill to dispose of the matter in a summary way and in the exercise of its executive discretion.

This however, as observed before, raises a constitutional question of the most serious importance which I must reserve for examination on another occasion.

THE LAND REVENUE PROBLEM.*

IX.

Your correspondent "Kunbi" thus writes in his letter of the 10th instant as regards agricultural indebtedness in this Presidency: "In the majority of mortgage cases the agriculturist has practically no prospect of ever being able to free himself. The *sawkar* becomes *de facto* occupant and the mortgagor becomes his serf. All the profits from the land beyond what is necessary for the serf's fair maintenance go to the *sawkar*, who, over large areas in the Deccan, usually pays the land assessment."

Now just to show that these too general remarks require considerable modification to bring them into harmony with the true position of things, as far at least as the four Deccan districts under the Deccan Agriculturists' Relief Act of 1879, for which alone we have anything like complete statistics on the point, are concerned, I would, with your permission, draw attention to a few facts.

(1) That mortgages with possession to which your correspondent's observations have reference show on an average of years but a small preponderance as compared with mortgages without possession. Thus during the four years 1896-7—1899-1900, of the total mortgages in these four districts (2,07,720) just 52·4 per cent were mortgages with possession, while 98,606 or 47·6 per cent were mortgages without possession. And it need scarcely be pointed out that in the case of the latter kind of mortgages (*i.e.* mortgages without possession) the *sawkar* does not become *de facto* occupant, and the mortgagor his serf. Here, the land is only pledged as security for the debt incurred; but the mortgagor continues *de facto* as he is *de jure* occupant of his acres.

Mortgages by Agriculturists in the four Deccan Zillas.

Year.	Mortgages with possession.	Mortgages without possession.	Total number of Mortgages.
1896-97	26,916	24,943	51,859
1897-8	33,136	34,045	67,182
1898-9	24,256	18,514	42,772
1899-1900	24,806	21,104	45,907
Total ...	1,09,114	98,606	2,07,720
Percentage ...	...52·4	...47·6	

* This letter appeared over the signature 'J.' in the *Times of India* dated 27th July 1901.

(2) That these mortgages with possession (52·4 per cent), besides, far from being in the majority of cases, as is apparently assumed, virtually equivalent to conditional sales or representing any permanent transfers of land, are usually *usufructuary* mortgages—mortgages in which the mortgagee *sawkar* in possession takes the profits in lieu of interest or appropriates them to the interest account, and if there is any balance, to reduction of the principal or more commonly holds the land and enjoys the profits there-of in liquidation of both principal and interest for a fixed term (usually 10—15—20 years), at the end of which the mortgagor recovers possession of his holding free from the encumbrance. In cases where the mortgagor continues on his land as the *sawkar's* tenant, he agrees to pay the mortgagee during the period of mortgage a fixed sum in cash every year or a share of the produce varying from one-half to one-third (*vide* Mr. Woodburn's remarks on the point in para 4 of his report on the working of the Deccan Agriculturists' Relief Act, 1889).

(3) That redemptions of such possessory mortgages are effected in many cases on expiry of the stipulated periods partly by private agreement and partly by proceedings in the Civil Courts. During the four years 1896-7—1899-1900, 2,124 redemption suits were disposed of in the Civil Courts in these four Deccan zillas, with the result that mortgage claims to the extent of over five lakhs of rupees were settled, and the mortgaged holdings restored to the mortgagors. In this connection it may be interesting to note that, during the past twenty years, as net result of the working of the Deccan Agriculturists' Relief Act in this respect, "the total mortgage debt thus settled exceeded forty-six lakhs of rupees" (*vide* Bombay Administration Report for 1899-1900, page 48, as also the Special Judge's Annual Reports).

These facts, as far as these Deccan zillas go, do not seem to bear out your correspondent's statement that "in the majority of mortgage cases the agriculturist has practically no prospect of ever being able to free himself," and that "the *sawkar* becomes *de facto* occupant, and the mortgagor becomes his serf."

Nor, again, does your correspondent's remark in his second letter—that "it is not the borrowing that ruins him (*i. e.* the ryot), it is the temptation to borrow when he can do without"

well apply to these Deccan zillas. For, here, the ryot seldom borrows on the security of his acres except in cases of imperative necessity. Mr. Woodburn's remarks on this aspect of the question are worth quoting: "If a loan must be raised and cannot be obtained on personal security, the land must be mortgaged, and the borrower, brought face to face with possible loss of his land, will mortgage as small an area as he can; in other words, he will raise the least sum that will meet his necessities. If ignorance and improvidence are characteristics of a great portion of the cultivating classes, strong attachment to their land is an equally prominent feature of their character. I believe that one of the great merits of the Deccan Agriculturists' Relief Act is that it brings this attachment into powerful operation as a deterrent from borrowing. Land is no longer liable for debt without a mortgage, and a ryot will not mortgage unless driven by necessity." (Report on the Working of the Deccan Agriculturists' Relief Act, para. 24)

Thus, as far at least as these four Deccan zillas are concerned, it is clear that the cause or causes of the ryot's embarrassments will have to be sought elsewhere than in his reckless borrowing on the security of his holdings in the alleged improvident exercise of his unrestricted power of alienation.

THE LAND REVENUE BILL.

It has been officially announced that the second reading of the Land Revenue Code Amendment Bill will be taken up at the Budget meeting of the Legislative Council, which comes off on the 22nd instant. Apparently, Government adhere to their original proposals, and see no reason to in any way change or modify them, even in the light of recent weighty expressions of public opinion. The question involved is one of grave moment, and nothing can be more unfortunate than the haste and precipitation with which the authorities seem resolved to rush the measure through.

The coming debate, however, on the Bill in the Legislative Council will be awaited with intense and anxious interest throughout the Presidency. There are several points in connection with the proposed legislation, as well as the Government scheme of agrarian change, which, notwithstanding the Hon. Mr. Monteath's very full and lucid explanatory statement at the Mahableshwar meeting of the Council, require further elucidation. Besides, the Select Committee, in their report on the Bill, propose several alterations and additions which will demand close and careful consideration at the hands of the Council. There is, however, one amendment they recommend, which, although necessary for the purposes of the new scheme, is nevertheless of a somewhat sweeping character, and to which attention may be usefully drawn. I refer to clause 6 of the Bill as amended by the Select Committee. It is entirely a new clause—not inserted in the original Bill as presented to the Council at the Mahableshwar meeting, and which is presumably an after-thought. It is recommended as an amendment to Section 56 of the Code, and is obviously intended to supply a a defect in the proposed plan of forfeitures, and secure, in the case of forfeited lands under the scheme, a complete extinguishment *ipso facto* of existing incumbrance—which would otherwise be impossible. As the law stands at present, *forfeiture* for non-payment of land revenue as such has, strictly speaking, no legal consequences whatever; it is only a condition—albeit a necessary condition—precedent to the Collector's selling under Section 153, or otherwise disposing under Section 57 of the

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* This letter appeared over the signature 'J.' in the *Times of India* dated 19th August 1901.

forfeited holding. *Sale* on forfeiture is the usual procedure, as it is in Madras and other Provinces, and under Section 214, Rule 60, is compulsory except when the Collector thinks (1) that for some reason or other a fair price cannot be realized at such sale; or (2) that the forfeited land is required under Section 38 for some public purpose, such as village pasturage or forest reserves. And when the land is so sold under Section 153, the sale wipes away all claims thereto subsisting, and the purchaser enters on the holding absolutely, free from incumbrance, while the defaulting occupant who is ousted for such default gets, nevertheless, all that he is fairly entitled to—the full market value of his proprietary rights and interests *minus*, of course, the sale charges and Government land revenue arrears which are deducted from the proceeds—and subject moreover to mortgage charges, if any, under Section 73 of the Transfer of Property Act, and other like claims. In certain cases, the defaulter is even allowed to claim such a sale of his forfeited occupancy under Section 214, Rule 59 A of the Land Revenue Code, on the ground (1) either "that he obtained it on payment of consideration for the same to Government or to the previous occupant, or (2) that the land comprised in the occupancy has been improved since the occupancy was last granted by Government." When, however, there is no such sale and the Collector thinks fit to dispose of the forfeited holding otherwise under Section 57 of the Code, there is in strict law only transfer of *possession*, and which transfer does not extinguish the defaulting occupant's right and does not affect existing incumbrances either.

Thus it is clear that under the law as it is, a clean sweep-off of existing rights and claims in the case of forfeited lands cannot be secured except by sale. And yet the procedure of sale is, in the present instance, for obvious reasons, out of the question. Such a clearance of existing encumbrances is a *conditio sine qua non* of the contemplated scheme of agrarian change; and the Select Committee propose to effect it by an alteration in the substantive law relating to *forfeiture*, and recommend that Section 56 of the Land Revenue Code be so amended as to do away with the distinction between sale on forfeiture and other modes of disposal under Sections 153 and 57, and their respective legal consequences, and attach to the fact of *forfeiture* itself the legal effects of *sale on forfeiture*. The amending clause (6) of the Bill as amended declares: "and such occupancy or alienated holding (*i. e. forfeited* for default) when disposed of, whether by sale as aforesaid, or by restoration

to the defaulter, or by transfer to another person or otherwise how-so-ever, shall be deemed to be freed from all tenures, circumstances, and equities theretofore created in favour of any person other than Government in respect of such occupancy or holding "—an amendment of Section 56 of the Code.

Thus, it is proposed, under this amending clause (6) of the Bill, as amended by the Select Committee, to penalize default in payment of land revenue, and attach—against the usage of the country and the sentiments of the people—to the fact of forfeiture *per se* the penal legal effect—which it does not at present possess—of a virtual confiscation of the defaulting occupant's proprietary rights, by reason of such default. When there is no sale, the defaulter gets absolutely nothing for his rights, which he loses.

That some such amendment of the existing law in the matter of forfeiture and its legal results is required for the initiation of the new scheme of agrarian change Government have in view, may be conceded, assuming, of course, that a preliminary liquidation of existing liabilities, such as Major Baring (now Earl Cromer) had some twenty years ago proposed for the Deccan (*vide* Government of India's letter to the Bombay Government, dated 5th December, 1882) is no part of the present plan. But we cannot shut our eyes to the fact that the proposed amendment makes a radical change in the land law of the Presidency, almost revolutionizes the nature of occupancy rights under the survey system, and is—view it as we may—little short of a confiscatory proposal. The Select Committee, in defending the amendment, argue in paragraph 6 of their report thus: "From the wording of Section 56 of the Code as it now stands, it is not certain that an occupancy which after forfeiture is restored to the occupant, or disposed of otherwise than by sale, would be free from incumbrances and rights before created by the occupant. As the land on forfeiture becomes the absolute property of Government, there is manifestly no reason why the encumbrances and rights before created by the occupant should revive when it is disposed of otherwise than by

sale." The *petitio principii* contained in the argument so put is obvious. As things are at present, mere forfeiture for default under the Land Revenue Code has no such legal effect as is attributed to it, and the forfeited land does not, *ipso facto* of such forfeiture, become the absolute property of Government—the proprietary rights of the survey occupant being indefeasible under the law except by sale.

Further, this proposed amendment (clause 6) which seeks to invest forfeiture for default with such sweeping legal effects, makes, however, a reservation in the case of encumbrances on forfeited lands created by the defaulting occupant in favour of Government—referring apparently to tagavi advances, land and improvement loans—on the analogy of the Central Provinces Tenancy Act of 1898, Section 46. When it is proposed to make the forfeited lands the "absolute property of Government" by reason of such forfeiture, it is not easy to understand the legal effect of such reservation. Presumably, under the saving proviso these agricultural loans will continue an encumbrance on the forfeited lands even after forfeiture and when they are granted out on the new tenure, to be enforced as a charge on their annual produce, though the land revenue arrears under Section 214, Rule 64 of the Code, will be remitted.

Very large grants have been made during recent years to the agriculturists—particularly in the distressed districts—as land improvement loans and tagavi advances under Acts XIX of 1883 and XII of 1884, aggregating over 210 lakhs, as per table below. How much of the total amount so advanced during these years has been recovered or remitted and how much of the unrecovered balance is outstanding in the famine districts, we have no means of ascertaining. But that a large part of it still so stands out as an uncovered arrear in the rural tracts, there can be no doubt. And under the proposed amendment (clause 6 of the Amended Bill) the amount of these loans so outstanding will be practically a charge, in respect of these forfeited lands, on the crops.

Loans and advances to Agriculturists under the Land Improvement Loans Act XIX of 1883 and Agriculturists' Loans Act XII of 1884.

(In lakhs of Rupees.)

Year.	Land Improvement Loans.	Advances for subsistence and purchasing Seed and Cattle.	Total.
1895-6	7·93	1·93	9·86
1896-7	33·39	3·23	36·62
1897-8	8·37	14·74	23·11
1898-9	4·92	3·39	8·31
1899-1900 ...	26·39	14·48	40·87
1900-1901 ...	Not	known	72·50
Total (in	lakhs	of Rs.)	211·27

It may be noted in this connection that the ryots who take up lands on the new tenure will have besides their full personal liability for all their existing debts—the forfeiture only technically releasing the *forfeited lands* from the encumbrance—and will have to meet their *sawkar's* claims out of the proceeds of the annual crops.

So, again, the Hon. Mr. Monteath has stated that the new occupants will be allowed to hypothecate their crops and borrow for current needs—and these needs will be somewhat heavy at the start. It is not, however, clear for what periods and with what limitations such hypothecations of crops will be permitted under the new scheme. The Punjab Land Alienation Act of last year (Act XIII of 1900) disallows such hypothecations, except for one year (Section 15); the original Bill had proposed a total prohibition (*vide* Viceregal Council Debates). The ryot's crops under the new tenure, though the *sawkar's* only security for his loans and advances, will be, in the majority of cases, his only means of subsistence; and such alienations will not be a very desirable form of transfer. The Deccan

Agriculturists' Relief Act Commission of 1891-2 went so far as to recommend, even as regards attachment and sale of such crops in execution of money-loans, "that the amount of the standing crop which is liable to attachment should be limited to one-half and that this half should be sold, subject to the payment by the purchaser of the Government revenue due on the crop attached," pointing out that the land "is only of use to the ryot in so far as it enables him to grow crops on it. If then all the crops are attached and sold, the land becomes practically valueless to the ryot, and it is essential that some return must be preserved to him if the land is to be tilled at all." (Report, paragraph 52, page 54.)

Judging, from the Hon. Mr. Monteath's statement at the Mahableshwar meeting of the Council, it does not seem likely that any large restrictions will be placed under the new scheme on such alienations; and we have as charges on the crops in the case of the new occupancies (1) tagavi advances and land improvement loans, (2) old debts, and (3) fresh hypothecations for current demands. And so weighted, it is clear, the new occupants will not have a fresh start with such a clean slate as is erroneously supposed.

Be this, however, as it may, the Land Revenue Bill before the Legislative Council with all its amendments is but a means to an end. And what most concerns the ryot is the new scheme of agrarian change Government propose to inaugurate under the legislation.

It is unfortunate that we have as yet no official statement as to the area likely to be affected by the Bill. The precise extent of land falling in must ultimately depend on the amount of arrears left outstanding—and that, too, in respect of holdings to which the benefit of remissions and suspensions has not been extended. Already there are desperate efforts all over the Presidency to pay up these famine arrears—on the part of the ryots to save their holdings from forfeiture, on the part of the *sawkars* to retain hold of their mortgage securities; and it seems even doubtful if Government can have any considerable area to start with for their new scheme—barring, of course, cultivable waste. In one district—and that, too, about the poorest and most distressed in the Presidency, and where unfortunately famine conditions still prevail and some 70,000 to 80,000 people are on relief—it is said that the whole of these land revenue arrears have been already recovered almost to a

pie. And, indeed, it is obvious that under the extraordinary measures proposed, neither the *sawkars* nor the ryots will let go their lands without a struggle. The *sawkar* will pay up even in the case of the most heavily encumbered lands, while the ryots in the worst cases will sell up part of their holdings and save the rest rather than lose the whole. Further, the Government resolution of Friday last allowing liberal suspension to *bona fide* agriculturists—and with retrospective effect in the case of forfeitures,—will still further reduce the area likely to come in under the new scheme,

Thus, it is quite on the cards that the whole plan of forfeitures may practically break down, and not a title of the distressed area which it is desired to bring within the operative scope of the contemplated scheme of relief may fall in for such special treatment. And, indeed, the contingency of such failure is not altogether unforseen. As Government observe in their reply to the Deccan Sabha's memorial (paragraph 6): "Doubtless, the arrears will in many cases be paid by persons interested in the land other than the occupant, and the area of experiment will be so far restricted," and further: "If all or almost all whom it is desired to protect from temptation to borrow unduly decline the condition, the experiment cannot be tried."

Whether, however, the proposed plan of forfeitures succeeds or fails, and whether the actual area so falling in is large or small—the larger the better from the point of view of need of relief—the hard economic problem behind it must remain, pressing for solution in this, and if not in this, in other ways, and under possibly different conditions. The agrarian situation created over a large part of the Presidency by the unprecedented disasters of the past decade is one of exceptional gravity, and cannot be ignored. Between 30 and 40 per cent of our poorer occupants of the soil are at this moment in the lowest depths of wretchedness and despair, and no responsible Government alive to its responsibilities in the matter, will, or indeed can afford to put aside the question of restorative measures of special relief.

The forfeitures planned out, and the extraordinary powers asked for in the new Bill, are after all alike, as observed on a former occasion, only means to an end. With a *tabula rasa* so secured and the requisite powers obtained, Government hope to be able to make a new start in these distressed districts, and under a comprehensive scheme of agrarian change intended to work out in the progress of time the economic enfranchisement

of a broken peasantry. How to rescue such a peasantry, broken and dispirited, and prostrated by the sufferings of a protracted cycle of calamitous seasons, from the slough of despond, and give it a fresh chance and a clear start so as to enable it to build up a prosperous future for itself—this and no less than this is, as I conceive, the task that lies before the Bombay authorities. Never, perhaps, in the history of Western India was there a task of greater magnitude and difficulty imposed on the Presidential Government; and in all our discussions and criticisms of their measures—whatever the differences of view that divide us—it is only right and fair to recognise—and recognise with gratitude—the courage and firmness with which they propose to deal with a situation of such unprecedented embarrassment, and their generous and anxious solicitude for the well-being of the poorer classes in the rural parts.

Our complaint, however, is that the whole economic situation is grievously misapprehended and misjudged at headquarters, and that a scheme of restorative relief is formulated, based on a deplorable misinterpretation of the phenomenon, which, strange as it may appear, seeks to help the broken ryot and ameliorate his lot by lowering his *status*, annihilating his credit, and leaving him weakened and diminished incentives to exertion and improvement. He is set down as an improvident borrower—who only borrows when he must, and under stress of hard necessity. His difficulties—which, serious though they are, are due not so much to his want of thrift and prudence as to seasonal vicissitudes and oft-recurring droughts on the one hand, and, on the other, to the heavy pressure of the State demand on his lands—are all exclusively attributed to his improvident extravagance and reckless borrowing. His patient and manly struggles during the past decade, to hold his own and maintain his standard of life in the face of formidable odds, are ignored; and his increased indebtedness, so unavoidable under the circumstances, is taken by itself and made a ground of serious charge against him. And, accordingly, instead of giving him praise and credit for the way in which he has borne his misfortunes and stood his trials all these miserable years, and extending to him the generous help and encouragement, to which he is entitled, by a substantial alleviation of his burdens, it is seriously proposed—and that, too, as a policy of restorative relief and assistance—to take away his proprietary rights in the soil, cut down his credit, put him in the swaddling clothes of co-ercive State protection, and holding him permanently *in statu pupillari*, keep him out of debt and out of

harm's way. This is, I submit, an essentially unsound and (to borrow a Positivist term) *metaphysical* way of dealing with the hard actualities of a hard economic situation, against which the Presidency will be justified in entering its most emphatic protest.

Broadly speaking, the leading features of the Government scheme are two :—

(1) The constitution of a new and inferior tenure for those broken agriculturists, on a non-proprietary basis and with restricted powers of transfer ; and

(2) The vesting of absolute discretionary power, free from all statutory limitations, in the executive in respect of both the constitution of the new tenure and the administration of the area proposed to be placed under it.

The scheme of remedial and ameliorative action so formulated suggests a double question—a question of *policy* and a question of *plan*—which I will with your permission reserve for another occasion.

THE LAND REVENUE PROBLEM.

X.

In defending the proposed restrictions on land transfer under the Land Revenue Bill at the recent Council meeting in Poona, the Hon. Mr. Muir Mackenzie is reported to have thus argued :—

Again, why should the Government be regarded as unwise or ill-intentioned in their desire to place a restriction upon the power to alienate on the part of their ryots? Is there a single private landlord in India who does not object to his tenants possessing the right of alienation? They are not too fond of seeing him possessed of the perpetual occupancy right, but to a man they are opposed to allowing him the right of alienation. This right is denied to the whole class of tenants in the zemindari provinces of India ; and in what position are the occupancy tenants of Northern India? In precisely the same position in relation to their landlords as the ryots of this Presidency are in relation to Government. They are perpetual owners of the soil subject to the payment of a fair rent, which if not fixed by agreement is determined by an officer of Government. But have they—any of them—the right of alienation? Not one. Have they any difficulty in borrowing sufficient for their humble requirements, including their marriages, obsequial ceremonies, and the like? Not at all.

Put into syllogistic form, the Chief Secretary to Government's argument is, briefly :—

None of the occupancy tenants under the zemindari systems of Northern India have the right of alienation.

In Bombay, under the ryotwari system, the State is the undisputed owner of the soil—the universal zemindar ; and the ryot is only a tenant holding under it, with no higher status than that of an occupancy tenant under a zemindar in Northern India.

Therefore, he ought not to complain (so apparently argues the Hon. Mr. Muir Mackenzie) if the right of alienation (a right which none of his confreres in Northern India enjoy), a special privilege generously accorded to him by the State zemindars for which he is utterly unfit, is now taken away from him under the new Bill.

© This letter appeared over the signature 'J.' in the *Times of India* dated 6th September 1901.

Now here, I submit, neither premiss is absolutely correct, and, whatever our view of the conclusion suggested, taken *per se*, the fallacy contained in the argument so advanced is what the logicians designate as a material "*fallacy of undue assumption of a premiss.*" For, while the minor premiss as to the State ownership of the soil is opposed alike to law and theory, the major, taken as a statement of fact, is untrue as regards the great zemindari province of Bengal, and even in respect of the other provinces, cannot be accepted without large qualifications. And further, when the Hon. Mr. Muir Mackenzie proceeds to point out that as in Northern India these occupancy tenants, though without a transferable interest in their holdings, have no difficulty whatever in borrowing sufficient for their wants, so neither will the Bombay ryots under the new tenure. I submit that it is not comparing like with like, and the suggestion based on such faulty comparison is a *non sequitur*.

As to (1) *State landlordism*—it is simply not a fact. In Bombay, as in Madras, the ryot under the ryotwari tenure is as much and in as full a sense the proprietor of his acres as the zemindar in Bengal under the Cornwallis Settlement of 1793 is of his estate, or the malguzar in the Central Provinces under the proprietary settlement of 1863 is of his mahal. The Madras *Settlement Manual* states:—"Under the ryotwari system, every registered holder of land is recognised as its proprietor. He is at liberty to sub-let his property or to transfer it by gift, sale, or mortgage. He cannot be ejected by Government so long as he pays the fixed assessment." Similarly, writing about the Bombay ryot, Mr. W. G. Pedder remarks: "The characteristic tenure of the Bombay Presidency is that known as the survey tenure, which has been legislatively defined as a transferable and heritable property, continuable without question at the expiration of a settlement lease on the occupant's consenting to the revised rate." (*Vide* Moral and Material Progress Report for 1882-83 page 147). The ryot under the Bombay Land Revenue Code, section 73, holds his land on a full proprietary title, his right of occupancy being permanent, heritable and transferable. And, indeed, it may be laid down as a general proposition, that as far as occupied agricultural land is concerned, no-where in British India, excepting special tracts under special legislation, is State land-lordism the accepted or working theory of land revenue administration. In the non-malguzari tracts in the Central Provinces under the Land Revenue Act of 1881 as amended in 1889, sections 67 A to to 67 I; in the Chenab Valley in the Punjab under Punjab Act

III of 1893; and in certain parts of Sind under Bombay Act I of 1899, the land is expressly reserved as the "property of Government" and given out to occupants under a non-proprietary tenure. Everywhere else, however, the State is only entitled in theory and fact to a share of the produce of the soil without any rights of ownership. As the Government of India put it in their Despatch to the Secretary of State, dated 8th June 1880, commenting on Mr. J. Caird's report on the condition of India (*vide* Mr. J. Caird's Report and Correspondence, page 33):—"The Government undoubtedly is the owner of a first charge, the amount for which is fixed by itself on the produce of *all* revenue-paying land in India, but over the greater part of the Indian Empire it is no more the owner of the cultivated land than the owner of a rent charge in England is the owner of the land upon which it is charged" (para 30).

Thus, there would appear to be little warrant either in the positive law of the land, or in authoritative declarations of Government for the Hon. Mr. Muir Mackenzie's assumption that the State is proprietor-zemindar of the soil under the ryotwari system in Bombay, any more than in the rest of British India.

Equally wide of the mark is the Chief Secretary to Government's assumption, which forms the major premiss of his argument, as to the occupancy tenants in Northern India having *none* of them the right of alienation. It is a pity that the Hon. Mr. Muir Mackenzie speaks on a question of such grave moment on defective information. For if he inquires, he will find that the occupancy tenants throughout Bengal under the zemindari system possess and freely exercise the right of transfer as regulated by custom under the sanction of positive law—as indeed do large classes of such tenants elsewhere in Northern India. But *humanum est errare*, and even the Pope of Rome is not always infallible. The general question, however, as to alienability of land in India, apart from its bearing on the Land Revenue Bill, is, as you justly remarked a few days since, one of considerable importance, and as involving an important question of principle deserves more careful consideration than it has received during recent discussions.

The following statement, compiled from official publications, briefly sums up the general position in British India, and may not, I trust, be uninteresting:—

Province.	Regulation, Act or Rule.	Land-holding classes as recognised.	Rights of alienation.
		(1) *Regulation Provinces.*	
(*a*) Madras ...	Reg. of 1802 and 1822, Acts of 1864 and 1890 and Rules	1 Zemindars—	
		(1) Tenants holding under zemindars.	Free.
		2 Survey occupants	Free.
(*b*) Bombay...	Land Revenue Code of 1879, Act V of 1862, Act III of 1874 (amended in 1886.)	1 Holders of alienated lands.	Free.
		2 Survey occupants	Free.
		3 Holders of land under bhagdari and narwadari tenures.	Restricted.
		4 Watandars, including matudars	Prohibited (sec. 1) except under stringent limitations.
(*c*) Bengal ...	Reg. of 1793, Act VIII of 1885.	1 Zemindars.	Free.
		2 Holders under these zemindars.	
		(1) Tenure holders and under-tenure holders.	Free.
		(2) Ryots.	
		(*a*) Ryots at fixed rates.	Free.
		(*b*) Occupancy ryots.	Regulated by custom under sanction of law.
		(*c*) Settled ryots.	Regulated by custom under sanction of law.
		(*d*) Non-occupancy ryots.	Regulated by custom under sanction of law.
		(3) Under-ryots.	Prohibited.

Province.	Regulation, Act or Rule.	Land-holding classes as recognised.	Rights of alienation.
		(2) Non-Regulation Provinces.	
(*a*) Punjab...	Acts of 1887 and 1900.	(1) Land-owners. (2) Occupancy tenants. Other tenants.	Restricted and regulated by Act XIII of 1900.
(*b*) Central Provinces.	L. R. Act of 1881 and 1889 and Tenancy Act of 1898	(1) Malguzar proprietors, and (2) Tenants holding under the	Restricted.
		(*a*) Absolute occupancy tenants.	Free.
		(*b*) Occupancy tenants.	Prohibited (sec. 41)
		(*c*) Village service tenants.	,, (,, 46)
		(*d*) Sub-tenants.	,, (,, 56)
		(*e*) Ordinary tenants.	,, (,, 70) of Tenancy Act of 1898.
(*c*) N. W. Provinces.	Act of 1873 and Rent Act of 1881.	(1) Proprietors, Talukdars, &c.	Free.
		(2) Tenants holding under them—	
		(*a*) Tenants at fixed rates.	Free (sec. 9)
		(*b*) Ex-proprietary tenants. (*c*) Occupancy tenants.	Prohibited (sec. 9)
		(*d*) Other tenants.	
Oudh.	Estates Act of 1869 and Rent Act of 1886.	(1) Proprietors, Talukdars, &c.	Free.
		(2) Tenants holding under them—	
		(*a*) Occupancy tenants. (*b*) Other tenants.	Prohibited (sec. 5 of Rent Act.)

Province.	Regulation, Act or Rule.	Land-holding classes as recognised.	Rights of alienation.
	(3) *Special Tracts.*		
(*a*) Non-malguzari area under ryotwari settlement in the Central Provinces.	Land Revenue Act of 1881 and 1889.	Holders of survey numbers under the ryotwari terms, sec. 67 A to 67I.	Prohibited.
(*b*) Chenab Valley in the Punjab.	Punjab Tenancy (special) Act III of 1893.	Tenants of the State.	Prohibited.
(*c*) Certain parts of Sind.	Sind Act I of 1899.	Occupants.	Prohibited.
(*d*) Certain areas in Bombay Presidency.	New Land Revenue Bill of 1901.	Occupants.	Prohibited.

Summarized, the general position as regards alienability of lands in British India stands thus :—

Provinces.	Land Alienation.
(1) Regulation Provinces.— Madras, Bombay, Bengal.	Generally free by law or custom.
(2) Non-regulation Provinces— C. Provinces, N. W. Provinces and Punjab	
Proprietors.	Free in the N. W. Provinces and Oudh. Restricted in Punjab and C. Provinces.
Tenants—	
At fixed rates	Free in the N. W. Provinces.
Absolute occupancy	Free in the C. Provinces. Restricted in Punjab. Prohibited elsewhere.
Occupancy	
(3) Special Tracts—	
(*a*) Non-malguzari villages in Central Provinces.	
(*b*) Chenab Valley in Punjab.	*Prohibited* except with Government sanction.
(*c*) Nara Valley in Sind.	
(*d*) Special areas in Bombay under the new L. R. Bill	

A few remarks on the foregoing summary may be permitted.

To take Regulation Provinces first.

Madras.—Here, the land-holding classes, including the zemindars and their tenants and the survey occupants, are all free to alienate their lands.

Bombay.—And so, too, in Bombay. The watandars alone, as being holders of service lands, cannot, under the Hereditary Office Act of 1874, section 5, alienate their watan or watan rights.

The new Land Revenue Bill does not affect the general position. It only empowers the Executive Government to constitute, as it deems fit, special areas of waste, relinquished, and forfeited lands where occupancies may be given away on condition of inalienability.

Bengal.—In Bengal, the zemindars have powers of free transfer: and so have the patnidars and darpatnidars and ryots at fixed rates. As regards the occupancy tenants, the law is silent—and *intentionally* (*vide* Baden Powell's "Land Systems of British India," vol. 1, page 652); but free transfers are allowed under *custom*, which is saved by section 183 of the general Tenancy Act of 1885, and recognised by the Courts (*vide* Major the Hon. E. Baring's speech, page 401, and the Lieutenant-Governor—(Sir A. R. Thompson) of Bengal' speech, page 255, Supreme Council Proceedings, *Gazette of India*, March 12, 1883, and March 5, 1885).

Thus, it will be seen that in all these Regulation Provinces the policy of Government is to leave the *land-owning* classes perfectly free in this respect and in the secure enjoyment of their full proprietary rights. As regards their *tenants*, the steady and consistent effort of the British Administration has been in Bengal to build up a strong *tenant right* on the threefold basis of *fixity of tenure* by accrual of occupancy rights, *fair rents* and *free transfer*.

Passing on to the non-Regulation Provinces, it may be noted that from the regular settlements of the earlier years of British conquest down to the very close (1888) of Lord Dufferin's Administration, the consistent policy of Government here, as in the Regulation Provinces, was to leave the proprietary classes unfettered powers of disposal in respect of their lands, and in the case of subordinate cultivators holding under them, to create a strong *tenant right* on the Bengal plan. Since 1889, however,—in which year the non-malguzari villages in the Central Provinces were, for the first time in the agrarian history of British India, constituted into a special area under special legislation, and placed under a non-proprietary ryotwari tenure on the basis of non-transferability—there has been a re-action. To take these Provinces separately.

Punjab.—Previous to 1899, both the landed proprietors and their tenants with occupancy rights had, under Land Acts of 1868 and 1887, powers of free transfer. The Land Alienation Act (XIII of 1900) of last year is one of general application, *restricting* and *regulating* but *not prohibiting* alienations of

land on the part of either the land-owners or their tenants. Sales and mortgages are still alike allowed, though under certain limitations.

N. W. Provinces.—Prior to 1881, both the landed proprietors and their tenants had powers of free transfer. Act XII of 1881, however, only leaves the proprietary classes free to alienate their lands by sale, gift, bequest or mortgage, but takes away the right of such alienation from their tenants—except such as hold "at fixed rates."

Central Provinces.—The proprietary settlement of 1863 gave the malguzars full proprietary privileges—including free transfer. The Tenancy Act of 1883 (sections 43 and 61) extended the right of alienation to all classes of tenants holding under them—only exercisable with their consent. The recent Tenancy Act (of 1898), passed in the face of the protests of the whole Province and the strong opposition of the Hon. Mr. Chitnavis, the provincial representative in the Supreme Legislative Council, takes away the power of free transfer from the whole body of tenants excepting such as are absolute occupancy tenants; and going even a step further, restricts the malguzars' right to alienate their *sir* lands.

Lastly, coming to special tracts under special legislation, where the State is *de jure* and *de facto* proprietor-zemindar, and the ryot is only a tenant of the State, holding his acres on a non-proprietary basis, we have absolute prohibition of alienation of occupied land except under Government sanction, which marks the culminating point of the new re-actionary agrarian policy inaugurated during Lord Lansdowne's Administration, though as yet within the limits of a comparatively small geographical area.

The changes detailed above in the general legislation in the different Provinces of British India on this subject of land transfer involve a much larger and more important question of agrarian policy and plan, a brief examination of which I will reserve for another occasion.

LAND REVENUE ARREARS.*

THE INSTRUCTIONS OF GOVERNMENT.

The Government of India having sanctioned the remission of land revenue arrears due to famine to the extent of Rs. 130,000, in this Presidency, the Local Government have in their Resolution of the 21st instant issued the following instructions to the District officers on the subject :—

1. That in cases in which suspensions have been granted after detailed inquiry regarding crops reaped and ability to pay from resources at disposal, they can now be converted into remissions without further investigation.

2. That in all other cases in which it has been deemed necessary or desirable to suspend or postpone the collection of land revenue, it should be carefully ascertained to which individual occupants relief is due and to what extent—whether the whole or only a proportion of the arrears due from them should be struck off the accounts.

3. That occupants who reaped sufficient crops or have other means than borrowing of discharging their dues, are not of course entitled to relief.

The intention is, the Government Resolution adds, "that the revenue collection of which it was considered desirable to suspend owing to the inability of those from whom it is due to pay it at once without hardship, should now be remitted."

Such are briefly the fresh instructions laid down in the Government Resolution of last week regarding the remission of arrears of land revenue in the famine zillas. They are issued in supersession of previous orders on the point, but as far as one is able to judge, contain little that is new or indicative of change, and are unfortunately characterized by the same strange lack of sympathy with struggling poverty, that has marked the famine administration of the Local Government during all these trying years. It is disheartening to observe how the authorities still fondly adhere to discredited methods in the matter, and with a faith in their ideal excellence and effectiveness which logic and experience seem alike powerless to shake or weaken.

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* This letter appeared over the signature 'J.' in the *Times of India* dated 7th May 1902.

There is, first, the method of *individual inquiry*—which, as we know, has been so unsparingly condemned by Sir A. Macdonnell's Commission as leading to "endless corruption"; and regard is to be paid, in the distribution of the proposed relief, not to the broad facts of crop-failure and the general conditions of whole villages and tracts in relation thereto, but solely and exclusively to the position and resources of individual cultivators. There is here, next, the repetition of an attempt at a differential treatment of rich and poor ryots—ryots who can, and ryots who cannot pay—an attempt which the Punjab Government made in 1899-1900 but "with no satisfactory result," and had in consequence to give up—an attempt, moreover, which the Famine Commission most strongly deprecate as being "bad in policy and difficult in practice," and as, besides, opening "the door to favoritism and corruption, as the differentiation must in practice be made on the recommendations of unreliable subordinates" (*vide* Report, para 280). We have further in these fresh instructions a re-assertion of the old familiar principle—and now with added emphasis—that those of the occupants who have other means than borrowing of discharging their obligations to the State, have no title to ask for exemption or reduction in any shape or form, and that the individual cultivator's absolute inability to meet his liabilities—except by resort to borrowing—as determined by the village officials after personal investigation into his means and circumstances is alone to be recognised as giving him a claim to such relief.

Such are mainly the lines on which Government resolve that the remission of land revenue arrears should be carried out in the distressed districts in the Presidency. And I submit that if the present orders are strictly enforced, there is grave reason to fear that the promised relief so distributed might not reach all those who deserve it, and to the extent to which they need it.

The famine arrears proposed to be wiped off include actual suspensions at the end of the past revenue year as well as estimated suspensions for the current year—but mostly the former, amounting to 117·5 lakhs of rupees—thus distributed:—

Arrears in lakhs of Rs. at close of 1900-1901.

Sind...	4·30	Total.
The Presidency proper	113·25	=117·55 lakhs.

N. Div. =	42·08	Central Div. =	59·79	S. Division =	11·37
Ahmedabad ...	4·29	Nasik	5·19	Belgaum ...	·92
Kaira	12·64	Khandesh ...	8·89	Dharwar ...	·46
Panch Mahals ...	3·65	Ahmednagar ...	19·65	Bijapur ...	8·07
Broach	18 58	Poona	11·05	Kanara ...	·04
Surat	2·46	Sholapur ...	3·59	Ratnagiri ...	1·84
Thana	·44	Satara	11·40	Kolaba ...	·41

The bulk of these land revenue arrears are thus in the districts of the Northern and Central Divisions and in the Bijapur zilla of the Southern; and unfortunately it is in these very districts that there is even this year a famine of a more or less severe type. In Ahmednagar, Sholapur, and Bijapur the agricultural outlook is most gloomy—the general crop-yield being estimated at 4 annas or but a shade over. This is a third famine in the Deccan within five years, and there is acute distress over large areas. Things are no way better in Gujerat. And yet the authorities are believed to take an unduly optimistic view of the situation in the rural parts and hold that the mass of cultivators are well able, even after all the calamities of the past decade, to pay up their dues without going to the money-lender—and, indeed, "without hardship;" and it is not unlikely that under the severe limitations imposed by the present Government resolution in respect of the grant of remissions, a part—and possibly a large part—of these famine arrears might come in for "rigid collection," and might be collected in the usual way and with the aid of the coercive legislation of last autumn, without much difficulty, and that, as far as this Presidency is concerned, the whole of the past "famine debt" might not be wiped clean off under a general measure of remission as the Government of India desire.

A policy of land revenue remissions, however, chalked out on such unsympathetic lines, and which withholds the needed relief under hard restrictions from all except those who in the opinion of the subordinate village officials are just on economic brink and without means, and which, moreover, sanctions a rigid recovery of famine outstandings from all the rest, is—in the special circumstances of this Presidency which has suffered in these famine years as no other Province in British India has suffered—open to grave challenge as calculated to cripple the

resources and retard the recovery of a hard-hit and broken peasantry. And, further, such a policy of restricted relief is, I submit, altogether inconsistent with the generous intentions of the Supreme Government. The Hon. Sir E. Law, referring to this point in the course of budget debate in the Supreme Legislative Council a few weeks since and speaking on behalf of Government, pointed out in reply to the Hon. Mr. Ananda Charlu: "Our opinion on the question is that during the coming year a very large proportion of the arrears remitted could be collected without any semblance of oppression. These ideas are formed on the reports of competent local officers who have carefully studied the position in the districts under their charge. We believe, that the remissions we have sanctioned will entail a direct loss of revenue in the coming year of £738,000, and we have accepted this loss and that in subsequent years with the view of affording every reasonable opportunity of recuperation to the ryots in afflicted areas" (*vide* Council Proceedings, *Gazette of India*, Part VI, page 119, March 29, 1902).

Thus, the main object of the Government of India in sanctioning a remission of all these famine arrears,—though a large proportion of them is, in their opinion, easily recoverable—is not only to wipe the famine slate clean, but to afford material assistance to the cultivators in the famine tracts in their efforts to recover from the "crushing blows" of the past decade. And the Presidency, I am afraid, has just reason to complain that the Local Government's resolution of last week, containing fresh instructions on the subject, allows no proper recognition to this—the most important object of famine policy in its closing phases—and lays down restrictions and limitations in regard to the distribution of the proposed relief which are calculated to rob this generous "gift" (to use Lord Curzon's word) of the Government of India of half its grace and much of its effectiveness and practical value.

The situation demands—and demands imperatively—a more liberal policy in this regard. And such is the confidence we all feel in the generous sympathies of the distinguished statesman who at present presides over the Government of Bombay that it may be hoped even now, however it might look like hoping against hope, that he will be pleased to recognise the justice of our complaint in the matter, and see his way to modify these orders so as to bring them into greater harmony with the needs of the position and the generous intentions of the Government of India.

BOMBAY REVENUE ARREARS.*

ANOTHER POINT OF VIEW.

In their reply to the Presidency Association on the subject of land revenue arrears, the Bombay Government point out that what has been authorized by the Government of India is only the remission of "suspended" arrears. And this is in strict accordance with H. E. the Viceroy's statement in Council. "We ascertained," said Lord Curzon, "that the total arrears of land revenue already suspended in these (*i.e.* distressed) areas was just short of two crores, or a sum of £13,20,000. We resolved to wipe off the whole of these arrears by a stroke of the pen. It would have taken three or four years to collect this sum, and a good deal of it, no doubt, would have never been collected at all. We thought it better, however, to remove all doubt upon the matter by writing off the entire debt and by compensating the Local Governments for the portion of it that would in ordinary circumstances have fallen to their share."

The remissions, however, so sanctioned by the Government of India on this understanding and on the basis of the figures supplied by the Local Government relating to the actual, probable, and estimated suspensions of land revenue in Bombay (*vide* G. R. of April 21), amount to 130 lakhs of rupees, and practically mean the wiping off by a stroke of the pen of the entire famine debt in the Presidency thus:—

(*a*) Total outstandings of land revenue in the Presidency at the close of 1900-1901 (*vide* Gen. Ad. Rep. App. V., B. (1) ... ...Rs.		1,13,25,342
On account of 1900-1 = Rs.	62,11,652	
,, ,, former years = ,,	51,13,690	
(*b*) Do. for Thar and Parkar (the famine district in Sindh) ... ...Rs.		74,189

* This letter appeared over the signature 'J.' in the *Times of India* dated 30th July 1902.

(*c*) Estimated arrears for the current year proposed for remission (*vide* Sir E. Law's Financial Statement, para 152) ... ... ,,		21,65,000
Total famine land revenue arrears...Rs.		1,35,64,531
Sanctioned Remissions... ,,		1,30,00,000
Balance for future recovery...Rs.		5,64,531

Thus, 130 lakhs out of a total of about 135½ lakhs of famine arrears authorized by the Supreme Government to be swept clean off under a comprehensive scheme of remission—this is the basal statistical fact that underlies and explains the statements in the Viceregal Council. And, viewing the matter in the light of this fact, I submit nothing is clearer than that what the Government of India have in view in sanctioning the remissions, as far, at least, as this Presidency is concerned, is the writing off of not merely a part but virtually the *whole* of these famine arrears—however designated in official phraseology—"with the view" (in the words of Sir E. Law) "of affording every reasonable opportunity of recuperation to the ryots in afflicted areas."

And, yet, the Bombay Government say in their Resolution of 11th instant that "there has never been any intention on the part of this Government, nor, it is believed, on the part of the Government of India, to remit arrears which could at once be paid without hardship and to grant exemption from their public dues to those who are in no way entitled to it." This is, however, a disclaimer of official intentions which the public can hardly comprehend in the face of Sir E. Law's clear assurances to the contrary in the Supreme Legislative Council.

But, further, after putting in such a strange disclaimer of generous intentions in the matter on behalf not only of itself but also of the Government of India, the Bombay Government in their Resolution referred to above draw a technical distinction between "suspended" and "unsuspended" famine arrears—a distinction, by the way, which certainly could not have been present to the mind of the Government of India when they sanctioned these remissions last March—and urge, with insistent emphasis, that it is only the former that have been authorized by the Supreme Government to be struck off the accounts. And the Government Resolution of April 21, which

lays down the procedure to be followed in reference to these remissions, takes up these "suspended" famine arrears, and dividing them further into *investigated* and *uninvestigated*, and including under the latter head not only the estimated arrears for the current year, but also the "probable suspensions of 1900-1901," directs in regard to these a close individual inquiry. It is not known—nor have we any means of ascertaining—what is the precise amount of these famine arrears at present under investigation in pursuance of these instructions. But whether the amount be large or small, it is almost certain, as I ventured to suggest in my letter of April 28 (*Times of India*, May 1) that under the close sifting of individual claims to relief that is going on, part of these arrears will come in for collection. And our contention is that such collection of "unremitted" famine arrears—no matter what the amount—is opposed to the pledges and assurances of the Supreme Government, and that Government are not dealing with the matter—however unconsciously and under the influence of erroneous theories—in that spirit of broad and generous sympathy which the situation demands. This is especially the case when the question is a question of granting relief from the incubus of a calamitous past—not to the wealthy malguzars as in the Central Provinces nor, again, to the great zamindars and talukdars as in the United Provinces of Agra and Oudh, but to the small struggling occupants who hold direct of the State under a ryotwari system, and who have during these years suffered so much and borne their trials in a way which must command admiration. It may not be out of place to add here that the total remissions in the Presidency on account of failure of crops during the five years 1896-97–1900-1901 amounted to Rs. 9,36,829, while Rs. 22,17,463 had to be written off as irrecoverable outstandings—the two sums aggregating Rs. 31,54,292 as per marginal table. In the United Provinces of Agra and Oudh, during the famine of 1896-97, 60 lakhs of such famine arrears were wiped off by a stroke of the pen by

Year.	Remission for failure of crops.	Irrecoverable balances struck off the accounts.
	Rs.	Rs.
1896-97 ...	1,114	45,114
1897-98 ...	864	39,553
1898-99 ...	671	30,164
1899-1900 ...	1,30,135	34,032
1900-1901 ...	8,04,045	20,68,600
Total...	9,36,829	22,17,463

way of remission to the zamindars (*vide* Prov. Resolution on Famine Relief, of November 23, 1897, page 28) as against 31·5 lakhs in this Presidency during five years of more or less serious crop-failure.

I am, however, afraid it is now too late to urge these and similar contentions. The Local Government have long since made up their mind on the point, and there is an end of the matter as far as local remonstrances and appeals are concerned. Rightly or wrongly, the authorities are firmly convinced that the method of individual enquiry is the only right method in these matters, and that in no other way is it possible—particularly under the ryotwari system—to ensure a fair and impartial distribution of such relief to the deserving agriculturists, without undue sacrifice of public revenues (*vide* Bombay Government's letter of 3rd October, 1901, to the Government of India). And this is the method they have consistently followed ever since the famine of 1896-97, though in the teeth of the most earnest protests of public opinion, and as they hold, with eminent success, whatever its actual working results in other Provinces. It is true, the Famine Commission strongly condemn it; but there is as yet no authoritative pronouncement on the point by the Government of India or the Secretary of State—which the subordinate Governments are bound loyally to accept. On the contrary, the Government of India Resolution of 26th August, 1901, expressly reserves the question for further discussion, pointing out that "the question is one upon which the Government of India are unable to pass judgment until the opinions of Local Governments have been received and considered" (para. 22). Under such circumstances, the refusal of the Bombay Government to accede to the prayer of the Presidency Association, and sanction in the present case a departure from a method and a procedure which they hold to be the best adapted to the conditions of the Presidency, is perfectly intelligible and need occasion no surprise—and certainly does not deserve to be made the subject of such severe censure as is contained in your editorial comments on their replies. There is here no "defiance" of authority as you take it, though there is, of course, a regrettable disregard of expert advice. Further, in reference to this matter of famine remissions, the work of individual investigation on the lines laid down in the Government Resolution of April 21, which began early in May, is now almost nearing completion. The differentiating lists prepared by the subordinate revenue staff of ryots who can and ryots who cannot pay up, are already in most cases in the

hands of the District and Divisional authorities for final decision and disposal; and the wiping off of these famine arrears in the case of the latter class of ryots will be over by the close of the current month. When things have advanced so far, it is, I think, unreasonable to expect Government to revise their arrangements and retrace their steps.

There is, however, one aspect of the matter and that, too, of a somewhat serious and urgent nature, to which attention may be invited. As one consequence of the application of the method of individual inquiry and differential treatment which Government have ordered, a considerable number of the poorer classes of ryots, whose means are completely exhausted by a succession of unfavourable seasons but whom the village officials in their infallible judgment consider as "well able to pay up," will be placed in a most unfortunate position. The Government orders leave here no room for the exercise of discretion or leniency. Already, if local accounts may be relied on, arrears in such cases are being collected with no small amount of rigour—notably in parts of Ahmednagar, Sholapur and Satara—and in case of default, notices are being issued to the defaulters, preliminary to the enforcement of the *forfeiture* clauses of the Land Revenue Code. Surely this is not as it should be! The ryots in such predicament must either borrow and pay up, or be prepared to submit to a deprivation of their proprietary rights and forfeiture of their occupancies as a penalty for default. As for borrowing in a year of such uncertain agricultural prospects and after such a cycle of lean years, it must grievously add to their already heavy embarrassments, and I apprehend, private sales of land will be in most cases resorted to as affording the best possible escape under the circumstances from the dilemma. This would, however, be a most regrettable result, a virtually compulsory expropriation of a number of deserving ryots; and I would respectfully urge that it behoves the authorities to consider whether it may not be desirable to prevent such a result at the close of the famine cycle by sanctioning a general postponement of collection in such cases—remissions and suspensions being alike out of the question. I would add, such a postponement of collection, while entailing no loss of revenue, would afford to a deserving body of agriculturists the relief they sorely need from the pressure of the hour, and would be in consonance not only with precedent but with the accepted principles of famine relief administration.

BOMBAY FAMINE REMISSIONS.*

I am much obliged to "N." for his careful perusal of my recent letter in the *Times of India* on the subject of famine arrears, and have read with interest his brief but thoughtful criticisms. I am, however, unable to accept the correction he so kindly suggests. I still think the method adopted in my letter of estimating these arrears is substantially right, and free from any serious objection. As to the arrears—remitted, suspended, or other—of the revenue year just expiring, we have, of course, little or no information beyond what is supplied in the last year's Provincial Budget. But as far as the general balance-sheet of previous years is concerned, we are on the *terra firma* of recorded facts, and need not therefore go on the slippery ground of conjecture.

"N." seems to take it—and the assumption underlies and vitiates his whole calculation—that the sum of 53 lakhs of rupees, referred to in the Provincial Budget of last year, para. 14, as being the estimated amount of "remissions of assessment" due up to the eve of 1900-01, was actually wiped off the famine slate in that year. As a matter of fact, however, just 20·68 lakhs were so written off, leaving the rest of the estimated remissions to be carried forward to the account of the current year and shown as an outstanding balance. So, again, your correspondent thinks that the loss of revenue in 1902-03 on the year's demand in consequence of the sanctioned remissions will be 55 lakhs—and not 21·65 lakhs as I have put it. In para. 152 of Sir E. Law's Financial Statement, however, where the latter amount is given as measuring the decrease in land revenue in the Bombay Budget estimates as compared with those for the year previous, a note is added that it "is caused by the special remission." The figures given in column 3—(including Rs. 55,00,000 for Bombay)—of the table appended to para. 151 of the Budget Statement mark, as I understand them, the total anticipated reduction in the *collections* for 1902-03 in the distressed tracts—consequent on the authorized remissions of arrears, including those of previous years as well as of the current year—and not, as "N." supposes, exclusively the latter, the remaining estimated loss of revenue (48·16 lakhs) to

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* This letter appeared over the signature 'J.' in the *Times of India* dated 6th August 1902.

be borne on the estimates of subsequent years (*vide* Sir E. Law's Budget speech). Similarly, "N." proposes to drop out of the calculation the famine arrears of years previous to 1899-1900, and for the reason that they are so dropped in the Provincial Budget Statement of last year. They are famine arrears brought over from the accounts of the famine years 1896-7-8; and with all due deference to the authority of the Honourable the Revenue Member of Council, whose lead "N." here seems to follow, I contend they ought not to be so brushed aside. They are, however, a small amount, just 5·96 lakhs, and whether we take them into account or not, do not much affect the general result. The estimates of suspensions and remissions given in para. 14 of the last year's Provincial Budget Statement unaccountably omit these old arrears, and the Government of India grant of remissions, based on these estimates, excludes them, and they now stand, carried forward to the account of the current year as a balance marked out for future recovery, as given in my letter of the 20th instant.

My calculation of the total famine arrears, as we find them at the beginning of the current revenue year, based on the figures in the General Administration Report for 1900-01, App. V—B (1) is briefly as under :—

		Rs.	Lakhs of Rs.
(1)	Old famine balances outstanding at the end of 1899-1900		5·96
(2)	Assessments outstanding		127·96
	(*a*) For Revenue year 1899-1900	87·69	
	Deduct—Recoveries in 1900-01	21·84	
	Balance ...	65·85 lakhs.	
	(*b*) For Revenue year 1900-01	62·11 ,,	
	Total Balance...	127·96 lakhs.	
	[*N. B.*—Noticed in the Provincial Budget of last year as Rs. 53,00,000 for estimated remissions, and Rs. 75,00,000 for estimated suspensions. (para. 14).]		
	Total Famine Arrears.....Rs.		133·92 lakhs.

Deduct—Irrecoverable Balances written off in 1900-01 .....Rs. 20·68 lakhs.

Net Famine Debt for the Presidency Rs. 113·24 ,,
Add for Thar and Parkar .....Rs. ·74 ,,

Aggregate Famine Arrears at the beginning of current year.....Rs. 113·98 ,,

To which, if we add 21·65 lakhs, being the amount of estimated current revenue year's remissions, we reach a total of 135·63 lakhs, out of which the Government of India covers 130 lakhs, leaving 5·6 lakhs for future collection.

As regards the "large remissions" referred to in the Government Resolution of 11th instant as "separately ordered" up to the end of 1900-01, they appear to include :—

(1) Remissions granted for failure of crops, aggregating ..... 9·36 lakhs
and (2) Irrecoverable balances written off during five years since 1896-97.....22·06 ,,

Total Rs.... 31·42 ,,

No other remissions up to the close of 1900-01 are traceable in the statistical returns given in the General Administration Reports. These "large remissions," however, aggregating during the past five years Rs. 31·42 lakhs allowed up to the end of 1900-01, including irrecoverable balances struck off the account amounting to 22·06 lakhs, must stand outside the pale of the present discussion, which exclusively refers to the total famine outstandings at the beginning of the current revenue year. In this connection as well as in reference to the general question of famine remissions, the following figures for the past five years, put together from the General Administration Reports, may be of some use, as likely to assist the general reader in arriving at a right judgment on the merits of the controversy :—

Table showing Collections, Remissions and Outstanding Balances of Land Revenue in the Presidency proper during the five years 1896–97 *to* 1900–1901 (*in lakhs of Rs.*):—

Revenue Year.	Total Revenue for Collection in lakhs of Rs.							Total Realization up to 31st July in lakhs of Rs.			Balances Outstanding on 1st Aug., in lakhs of Rs.		
	Current year's revenue demand.	*Deduct*— Remissions on various accounts.	Remissions for failure of crops including in preceding col. of remissions.	Balance for collection on account of current year.	*Add*— Previous years' arrears for recovery.	*Deduct*— Irrecoverable balances written off.	Total Balance for collection.	Collections on account of current year.	Collections of previous year's arrears.	Total collections.	On account of current year.	On account of previous years.	Total outstandings.
1896–97	304·72	2·73	·01	301·98	1·97	·45	303·51	288 88	·52	239·10	13·10	1·00	14·10
1897–98	305·01	2·59	·00864	302·42	14·10	·39	316·14	296·65	10·90	307·56	5·76	2·81	8·58
1898–99	305·00	1·38	·00671	303·62	8·58	·30	311·90	299 02	5·11	304·13	4·60	3·16	7·77
1899–1900 ..	306·70	4·13	1·30135	302·57	7·77	·34	309·71	214·58	1·46	216·05	87·69	5·96	93·68
1900–1901 ...	305·51	11·22	8·04045	294·28	93·67	20·68	367·27	213·17	21·84	254·01	62·11	51·13	113·25
	1,526·94	22·05	9·36			22·06							

For Thar and Parkar the figures are :—
Total remissions since 1896-97, Rs. 31,623, of which Rs 3,186 were for failure of or injury to crops.
Total outstandings, Rs. 74,189.

The figures as put together in the foregoing table may be left to speak for themselves. The "large" famine remissions mentioned in the Government Resolution of the 11th instant as "separately ordered," during the five years ending 31st July, 1901, come to 31·42 lakhs in all—inclusive of over 22 lakhs written off as irrecoverable balances—on an aggregate land revenue demand of 1,526·94 lakhs of rupees, or less than 2 per cent. The total "ordinary" remissions (22·05 lakhs) during the period comprise remissions granted on various accounts, such as introduction of revision survey rates, losses by fire and flood, poverty, death and desertion, &c.—those allowed for failure of crops amounting to 9·36 lakhs only.

Be this as it may, in a few days, with the close of the current month, this vexed question of famine arrears and famine remissions will cease to have any but an antiquarian interest. The work of wiping off these famine arrears—in the case of indigent cultivators at least—that is at present going on, will have been over by the 1st proximo; and the painful and chequered chapter of famines and after-maths of famines, closed—and closed, let us hope and pray, for many a long year to come, if not for ever. Meantime, the missing monsoon has come to the land to relieve and gladden the hearts of the toiling millions, and is giving plentiful showers to the thirsty soil. A few more such seasons of plentiful rain, by the grace of God, and we may rest assured, the ryot, frugal and thrifty as he is, will be able to help himself, and pursue the even tenour of his way, free from depressing anxieties and darkening fears, though still needing for a time the fostering care and nursing of the State.

THE LAND REVENUE QUESTION.

A Defence of Mr. Dutt.

Mr. A. Rogers, late Bombay C. S., in his letter to you of the 20th ultimo, published in the *Times of India* a few days since, refers to Mr. R. C. Dutt's recent communications to the *Pioneer* on the land revenue question, and after pointing out that there are in them "certain misleading statements which in the interests of truth must not be allowed to go forth to the world as actual matters of fact," remarks on what he holds to be one such, relating to the increase of land revenue in this Presidency during the first years of British rule, as under:—

"Another of the half truths common to Mr. Dutt's writings is contained in the following words:—

'*In Bombay the revenue of the territories acquired from the last Peshwa in* 1817 *was increased within a few years from* 8 *to* 15 *millions of rupees.*'

"Mr. Dutt (must we say designedly?) omits to mention that by the treaty of Bassein in 1819 and subsequent agreements, the whole of the Province of Gujarat, vast in extent and of unsurpassed fertility, came into British possession, and the increase of revenue he adduces as a proof of the rapacity of our methods of administration is due to extension of territory and not, as he leaves it to be inferred, to oppressive taxation of the land already in our possession. The public may now be left to judge of the reliability of an author who uses such arguments as these."

It is much to be regretted that Mr. A. Rogers—who takes such sympathetic interest in the well-being of the Bombay cultivators, and whose long and varied experience of revenue matters gathered in this Presidency entitles his opinions on such questions to respectful consideration—does not always, perhaps, through excess of zeal, sufficiently weigh his words or make sure of his facts before he writes to the papers. The only treaty of Bassein known to Indian history, and which is given in Aitchison's Collection of Treaties, 3rd Ed. Vol. VI,

* This letter appeared over the signature 'J'. in the *Times of India* dated 24th September 1902.

Part 1, page 53, is the celebrated treaty of 1802, and the acquisition of Gujarat and the conquest of the Peshwa's dominions were both almost complete before the middle of 1818. *Surat* and *Broach* were acquired from the Scindia by the treaty of Sarjee Anjangaum in 1803, and *Kaira* from the Gaekwar under Art. 6 of the "Definitive" treaty of 1805. The fourth Maratha war came on in 1817. Kirkee was fought on November 5, 1817; Nagpur, Mehidpoor, and Koregaum followed in quick succession; and on the field of Ashti (February 19, 1818) the Peshwa's army was routed, and his power completely broken. Poona was occupied shortly after the battle of Kirkee (November 17, 1817) and Satara surrendered to the united British troops under General Smith and General Pritzler on February 10, 1818; and by a proclamation on the following day, the Peshwa was formally deposed, and with certain specified exceptions, his territories were annexed to the British dominions. And the war terminated with Bajirao's surrender to Sir J. Malcolm on June 3, 1818. Later, Sind was conquered in 1843; Satara was annexed in 1849; the Panch Mahals were, in exchange for certain other lands, acquired from the Scindia in 1860; and finally, Kanara was received from the Presidency of Madras, and added to the territories under the Government of Bombay.

As regards the land revenue of the Presidency—the collection for the year 1792-93 was just £79,025 when it was confined to Bombay and Salsette (*vide* Part. Return, June 22, 1855). In 1805-06, it rose to £471,344 owing to accessions of territory in Gujarat, and remained at about that level till 1816-17, falling sometimes as low as £388,538 as in 1806-07, and rising as high as £498,102 as in 1816-17. In 1817-18, the Peshwa's dominions—including Ahmedabad—were annexed, and the land revenue went up at a bound to £868,047. This was the collection for the whole Presidency, including Gujarat, and Mr. Dutt takes it as the initial point for comparison. The increase of land revenue in the few following years was very rapid.

1817-18	£ 868,047
1818-19	£1,143,941
1819-20	£1,078,164
1820-21	£1,818,314

In the fourth year of the conquest, it stood at the *high* figure of £1,818,314. The next three years 1822-23-24-25 were unfavourable years, and there were large decreases. In

1825-26 there was a recovery, and in 1826-27 it mounted up to £1,873,427, as against £2,868,047 in the first year of the conquest, *i. e.* an increase of nearly 120 per cent in ten years. For some twelve years following, it remained at about that amount. In 1842, it rose again and was close on two millions, *i, e.*, on the eve of the annexation of Sind.

Thus, the land revenue of the Presidency during the first ten years of the conquest shows a much larger increase than even Mr. Dutt puts it, having advanced from 86·8 lakhs in 1817-18 to 187·3 lakhs in 1826-27. There was no territorial expansion during the period—as indeed down to 1843—by conquest or treaty cession, and the increase of land revenue was mainly due to revisions and heavy enhancements of the State demand upon the land under a system of short-term settlements and, possibly to some small extent, to resumptions of alienated lands, and lapses of alienated revenue, and—as far as one is able to judge from available records—not to fresh acquisitions of territory as Mr. A. Rogers erroneously takes it to be, or as is mentioned in para. 2 of the Bombay Government's Memo. in reply to Mr. Dutt's letter on the Bombay settlements (March 30, 1901).

Next, as to the oppressive nature of the land revenue demand so forced up. There were loud complaints on all sides ; and if Mr. A. Rogers only takes the trouble to look into the revenue and survey reports of the time, he will find ample evidence of the evil of over-assessment and its ruinous effects. The reports of Capton Robertson, Mr. Chaplin, Lieutenant Davidson and Captain Nash may be advantageously consulted on the point. The years 1822-23-24-25, as observed before, were bad years, and there was widespread distress in the Presidency. Large remissions had to be granted, and the realizations fell off. Mr. Pringle's revenue survey followed (1825-28-31), but owing to unfortunate errors it only intensified instead of correcting or mitigating the evil, and deepened the general distress. " Every effort, lawful and unlawful, was made to get the utmost out of the wretched peasantry, who were subjected to torture—in some instances cruel and revolting beyond description—if they would not or could not yield what was demanded. Numbers abandoned their homes and fled into neighbouring Native States. Large tracts of land were thrown out of cultivation and in some districts no more than a third of the culturable area remained in occupation." (Adm. Rep. 1872-73, pages 41-42). It was only when matters had reached

such a critical stage that the present revenue survey was commenced in 1835-36-37 on the lines recommended by Goldsmid and Wingate, as a remedial measure. And as it was extended from one district to another, it brought the much-needed relief to the long-suffering peasantry of the Presidency by a general lowering of the assessments, and in a few years—other causes concurring—effected an almost magical change in the condition of the rural parts.

I trust, enough has been said to show that Mr. R. C. Dutt's statements about the increase of land revenue in this Presidency during the first few years of British Administration, and its ruinous effects, are more than amply borne out by the facts—being, indeed, under-statements of the position of things as it then existed, rather than otherwise, and that there is absolutely no foundation whatever for Mr. A. Roger's allegation as to their historical incorrectness.

The matter taken *per se* is of but little practical importance, but, strangely enough, similar mistakes occur in regard to these historical points in paras. 2, 4, and 5 of the Bombay Government's Memo. in reply to Mr. Dutt's letters, above referred to. However, Truth is Truth, and *magna est veritas*. And this is my excuse for troubling you with this communication.

THE LAND REVENUE.*

Rent or Tax?

The Hon'ble Mr. Muir Mackenzie like his distinguished predecessor in office, Sir J. Monteath, is apparently a strenuous upholder of the theory that the State is the proprietor of the soil in India, and that the land revenue it levies is not tax but rent. This theory, however, of State Land-lordism is opposed to two distinct and authoritative declarations on the point. There is, first, the despatch of the Court of Directors, dated 17th December 1856, which emphatically repudiates the doctrine of State proprietorship and affirms the principle that the land assessment is revenue and not rent, laying down that the right of the Government is not a rent, which consists of all the surplus produce after paying the cost of cultivation and the profits of agricultural stocks, but a land revenue only, which ought, if possible, to be so lightly assessed as to leave a surplus or rent to the occupier, whether he, in fact, let the land to others or retain it in his own hands. Secondly, we have the despatch of Lord Lytton's Government to the Secretary of State, dated Simla, 8th June, 1880, addressed in reply to Sir J. Caird's Report on the Condition of India, observing in para. 31 : "We do not accept the accuracy of the description that the tenure (of land in India) was that of cultivating tenants with no power to mortgage the land of the State and that land is property of the Government held by the occupier as tenant in hereditary succession so long as he pays the Government demand. On the contrary, the sale and mortgage of land were recognised under the Native Governments before the establishment of British power, and are not uncommon in Native States at the present time ; and if such transactions were rarer than under our administration, it was mainly because, the tenure being insecure, the property had little value. It has been one of the great objects of all the successive Governments of India since the days of Lord Cornwallis, if not to create property in land, at all events to secure and fortify and develop it to the utmost. The Government undoubtedly is the owner of a first charge, the amount of which is fixed by itself on the produce of all revenue-paying land in India ; but over the greater part of the Indian Empire, it is no more the owner of the cultivated land than the owner of a rent charge in England is the owner of the land upon which it is charged."

* This letter appeared over the signature "*G. V. Joshi*" in the *Times of India* dated 25th June 1908.

These authoritative declarations as to the position of the State in reference to the land revenue it raises are explicit and emphatic declarations—which have never been at any subsequent period revoked or modified by competent authority. And I would submit that to assert, as the Revenue Member of Council seems disposed to do, in the face of such declarations—which constitute the Magna Charta of the Indian Ryot—that he is but a tenant of the State—the one great landlord in the country—and has no proprietary rights in the acres he tills, is to ignore the very fundamental principle of our existing land tenures.

The point is not merely one of academic interest, it has a vital bearing on the Land Revenue policy of the State in India. Should the rent theory, unfortunately, ever come to obtain general concurrence and govern our land revenue administration, it must follow as a logical "sequitur"—as pointed out by the late Lord Salisbury in his weighty minute on Indian Land Revenue, dated 29th April, 1875—that Government is in strictness entitled to all that remains of the produce of the soil after the wages and profits are paid, and the aim of the Land Revenue policy of the State would be to continually force up the assessments to the highest pitch attainable, leaving the cultivator little more than a bare subsistence, if even that much. If we, however, strenuously continue to maintain the principle, so authoritatively laid down in the Courts of Directors' despatch of 1856 and subsequently re-affirmed in the despatches of Sir C. Wood in 1864 and of Lord Lytton's Government in 1880—that the State assessment on the land is revenue only, not economic rent, and that land throughout the country is private property, subject to the payment of such revenue, there will be no disposition on the part of our Land Revenue Administration—as there appears to be in some quarters—to enhance its demands upon the land more and more to ruinous levels—out of all proportion to fiscal necessities and without a proper regard to an equitable distribution of public burdens as between the land-holding and other classes. And, it will be recognised, even in this Ryotwari Presidency of ours, that the Ryot—whatever the system or mode of land revenue settlement—is as much the proprietor of his ancestral acres as the Zamindar in Bengal, the Malguzar in the Central Provinces, or the Talukdar in Oudh is of his paternal estates—and is entitled in legal right as in equity to like protection against rack-renting and unjust and exorbitant demands on the part of the State.

BOMBAY IRRIGATION POLICY.*

Early next week—should there, of course, be no departure from the published programme—Sir Colin Scott-Moncrieff and the members of the Indian Irrigation Commission will be amongst us, and enter upon a most interesting inquiry into the irrigational needs of the Presidency, such as we never had before. Nothing definite is as yet known as to the exact procedure they will follow, or even as to the specific aspects of the problem they propose to investigate. But we have the welcome official announcement that while they remain in Bombay, they will have the assistance of the Hon. Mr. Muir Mackenzie, Chief Secretary to Government, as a local "Revenue Officer". This is as it should be, and will doubtless give widespread satisfaction. Mr. Muir Mackenzie is not only an officer of distinguished revenue experience, but has a close, intimate acquaintance with the agricultural industry of the Presidency and its requirements, such as few can claim; and his nomination as a local member to take part in the inquiries and deliberations of the Commission while here is a guarantee that this irrigational question as it affects Bombay will undergo a most careful investigation in all its important bearings. It is, however, impossible to avoid some feeling of regret that while some of the Provinces concerned in the inquiry are so well represented on the Commission, this Presidency, whose need in the matter is about the greatest, has no representative associated with them to assist them in arriving at their final conclusions.

The inquiry entrusted to the Commission, by the Government of India Resolutions of March 13th and September 13th, 1901, is a special inquiry of an essentially technical character. It follows in the main the lines of the recommendations of the Parliamentary Committee on Public Works of 1879, and the Famine Commissions of 1880 and 1898, and may be broadly described as a comprehensive and systematic effort to investigate the irrigational problem as it presents itself in the different provinces of British India under their local conditions of agriculture. The Commissioners are invited to deal with the problem "in each tract in its broader aspects, with reference, historically, to what has actually been done and to recorded results; with reference, next to such completed or half-completed or conceived projects as may exist; and with reference, lastly,

* This letter appeared over the signature 'J.' in the *Times of India* dated 19th December 1901.

to the need of and scope for irrigation, considered in connection with the physical and climatic peculiarities of the region." (*Vide* Government of India Resolution, March 13, para. 5.) The object of the inquiry, planned out on such comprehensive lines, is, as Lord George Hamilton explained in the course of his Indian Budget Statement in the House of Commons in August last, "to bring together into one focus all forms of irrigation, and lay down, both as regards Government work and private effort, rules for their inter-lacing, encouragement, and control" for future guidance. And the Government of India hopes that the inquiry so carried out will yield results of the utmost practical and permanent value, and that on the basis of such results "a path of progress may be marked out which it should be possible prudently and consistently to pursue."

This irrigational inquiry projected on so extensive a scale is apparently the first of its kind undertaken in the history of British Indian administration, and is one of vital importance from the point of view not only of famine prevention, but also of the efficiency and prosperity of Indian agriculture. Irrigation with us is not only one of the first conditions of a prosperous agriculture, but is, besides, one of the most effective means of protecting the country from drought and famine; and it is disappointing to see that comparatively so little has yet been accomplished in the matter—especially in Western India. In the Government of India Resolution of March last, the Governor-General in Council frankly avows his conviction that "many opportunities exist in various parts of India, which are at present not utilised or are very imperfectly utilised for minor canals, storage reservoirs, and other irrigational works on a comparatively small scale, which may or may not be productive in the technical sense of the term, but which will afford material protection from drought," and regard it as a matter of the most pressing necessity "to see that the country is protected, so far as may be practicable, from the desolating effects of drought by the intelligent utilisation to the fullest extent of every potential means of irrigation." Sir A. Macdonell's Commission follow with a similar expression of opinion, observ-

ing in para. 351 of their Report: "that there is a wide field for the construction of irrigation works. All provinces do not indeed present practical schemes for the construction of great canals; but the possibilities of smaller protective works have in no province been exhausted, while in some provinces, they have as yet hardly been examined. For storage tanks, reservoirs and, above all, irrigation wells, the scope and the necessity are very great." The Government of India is determined that such unaccountable and prolonged "indifference" to the demands of a plain national duty shall cease, and that so far as in it lies, a resolute and sustained endeavour shall be made throughout British India to utilize to the utmost the generous "gift of nature" in this regard for the purpose not only of giving the country direct protection from drought and famine, but also of promoting the efficiency of agriculture—the one surviving national industry on which more than 86 per cent of the people depend for their daily bread. And the nation will hail with peculiar satisfaction such determination as one more unmistakable indication of a new and welcome awakening, under the present *regime*, on the part of the highest authorities to the grave responsibility that lies on Government in regard generally to the condition-of-the-people question—after the bitter experiences of a sad and protracted past; and will follow with great and expectant interest the progress of the present inquiry.

As far as Bombay is concerned, this irrigational inquiry does not come a day too soon. For, as the Lyall Famine Commission point out (*vide* Report, para. 567,) "there are few parts of India in which protective works are more urgently required" than in Bombay; and yet, as will be presently shown, there is no British Indian province equally exposed and liable to drought—worse off for water and water-works. Surely, nothing can be more depressing and humiliating than the fact that, after forty years and more of continuous preparatory effort, the recent famines—particularly on this side of India—should have been so destroying and devastating in their effects! Not to speak of the suffering and distress they involved, the ryots' losses in respect of crops and cattles amounted, as Lord George Hamilton pointed out in his Budget speech in Parliament in August last, to no less than 50 million sterling, or 75 crores of rupees, in Western India; and one cannot resist the reflection that one-tenth of the amount, if well and judiciously applied to the development of irrigation, would have assuredly been the means of not only averting half the wreck-

age, but also putting the Presidency in a proper posture of defence against drought and its dreadful results. For, it has to be borne in mind that our extensive crop failures that occurred in the recent years of famine occurred not through blight, not through the ryot's lazy indifference, but solely through want of water for the fields. In 1896-97, the rainfall of the season was not much in defect of the normal, but was capriciously and unevenly distributed, notably in the Central Division. The rain that fell, fell in heavy bursts early and late; the rivers were in flood, and the hill streams swelled into torrents as usual; but this magnificent volume of water the heavens sent us rolled for the most part useless to the sea for want of adequate means by which to lead it off and turn it on the parched and thirsty lands. So, too, in 1899-1900, though the rain-fall of the year was scanty and much below the average all the Presidency over, there was still enough water in the rivers and in the streams, which, had there been means of utilizing it, might have saved half the crops.

Our Bombay Irrigation Department was organised in 1862, and ever since then this question of irrigational supply for agricultural purposes has been under the consideration of the Bombay authorities; and yet, as will be seen from the table subjoined, our progress in this matter, as measured by the total breadth of irrigated acreage in a fairly normal year, is about the smallest in India :—

Province.	Net Cropped area in millions of acres in 1898–99.	Irrigated area in millions of acres in 1898–99.	Proportion of Irrigated to Cropped areas in 1898–99.
Punjab	18·241	8·967	49 p.c.
N. W. Provinces ...	25·010	7·270	29 p. c.
Oudh	8·600	2·383	27·5 ,,
Madras	24·511	6·116	29 p. c.
Mysore	5·902	·909	15 ,,
Bombay	23·96	·939	4 p.c.nearly

Thus, while in a normal year like 1898-99, the Punjab has close on 50 per cent of its cropped areas under irrigation, the North-West Provinces have 29 per cent, Oudh has 27·5 per cent, Madras 25 per cent and even Mysore over 15 per cent, this Presidency has but a bare 4 per cent of its total cropped acreage irrigated! This marks a serious position of things from the point of view of famine protection which must arrest attention and invite inquiry.

Our irrigational resources are admittedly not so great as those of the Punjab or the North-West Provinces. We have no glacier-fed and mighty rivers as in the Punjab to spread over and fertilise our rolling uplands, and no underground fresh-water sea as in the North-West Provinces to tap, and, besides, our trappean and basaltic formations and climatic features present difficulties in the way of artificial irrigation, such as do not exist elsewhere. But we have our rivers which never fail and our hill streams and drainage areas and catchment basins innumerable, which only wait to be utilised by the skill and enterprise of our irrigation engineers. Mysore is in no way a more favoured region, and yet even that Native State is far ahead of us in the matter of irrigational equipment.

Thus, the comparative smallness of our present irrigational supply—considered particularly in relation to the not inconsiderable facilities we possess—after forty years of P. W. activity, is the first fact that may be pressed on the attention of the Irrigation Commission, and may serve as a starting point for their investigations.

IRRIGATION IN THE DECCAN.*

The Advantages of Weirs.

I have read with much interest Mr. Mollison's very important evidence before the Irrigation Commission at their recent Bijapur meeting, as reported in your issue of the *10th instant.* After referring *inter alia* to the advantages of weir-irrigation in general, and its special suitability to the needs of the Deccan in particular, and pointing out the great scope that exsists for its extension in this part of the Presidency, the Inspector-General of Agriculture suggests a practical scheme with a view to promoting such extension, which deserves careful consideration. It is a pleasure to me to find that Mr. Mollison's scheme in its central conception does not essentially differ from the one I ventured to put forward in the *Times of India* of 31st ultimo. The most important question in regard to this class of irrigational works is not a question of geological or climatic conditions, but one of executive agency, and Mr. Mollison with a fine perception of the necessities of the situation does not ignore or put it aside but looks it fairly in the face. He does not expect the ryots, in their present weakness and individual isolation, to undertake the construction of these weirs or *bandharas*—a work which lies manifestly beyond their enterprise or resource; nor, again, would he—with due regard to the proper limits of State intervention in such matters—have Government take up the work and carry it out by its own agency as so many revenue authorities would have it do. But he boldly goes in for an intermediate agency to stand as between the State and the individual cultivator, and render to the agricultural industry of the Presidency the kind and measure of help that the great Zamindar landlords and proprietory communities do in Northern India. He would have the old village communities of the Deccan back again, to whom to entrust this portion of the general irrigational work of the Province. But here, *in limine*, we are confronted with a formidable, if not an insuperable, difficulty. As things are, these village communities, on whose corporate initiative and action the Inspector-General of Agriculture relies in the matter, are non-existent as corporate units, or as the Bombay Government would put it are no longer the "living rural organisations" they once were.

* This letter appeared over the signature 'J.' in the *Times of India* dated 15th January 1902.

And yet the revival in some shape or other of these defunct village communes is a *conditio sine qua non* of the proposed scheme. Mr. Mollison does not indicate in what way such an organic change could be effected, and the old village communities, re-constituted on their ancient footing, and re-clothed with their old communal powers and functions. But I have no doubt that he has in view some such special legislation for the purpose as I have proposed. The village communities so restored, Mr. Mollison would give over to them these *bandhara* works, and leave the matter there. He would not apparently go further, and have any larger corporate organisations. In such matters,—as, however, the bunding of hill streams and nullahs and water-courses, and the regulation of such impounded water supply for irrigational purposes,—the adjustment of water-rights as between village and village, or between one set of villages and another, would be no easy or simple thing as Mr. Mollison imagines, and no preliminary survey and settlement of such interlaced rights—such as he suggests—no matter how carefully carried out —could suffice. It would be found both necessary and expedient to group these village communities for proper working of the scheme into small rural unions in the way proposed in my letter. Besides, these village organisations so revived, would necessarily require to have a command of assured resources in the form of special funds for the purpose, and powers of borrowing on communal responsibility—a point, however, on which Mr. Mollison is silent. But he seems to agree with me that to start a scheme of this nature, and give it a fair trial, it would be necessary to allow the village communities some special concessions. Accordingly he proposes to exempt such *bandhara* (weir) works constructed by their agency from taxation for a term of 5 to 10 years, after which he would impose on each (weir) *bandhara* a moderate consolidated charge, leaving its individual apportionment to the rural communities concerned. These are, I admit, substantial concessions, and would undoubtedly go some way. But I am afraid, they would be found in practice to be far from adequate to the end proposed. As regards the *kutcha* weirs, they would in most cases have to be renewed from year to year, and the cost of such renewal would be far from light. In the case of the *pucca* works, on the other hand, there would be the heavy initial capital outlay, which with recurrent charges for maintenance and periodical repair would involve large liabilities. And to further weight these works—whether of the one kind or other—with special *pat* assessment, would, I submit, have in many cases a deterrent, if not a positively pro-

hibitive, effect, and rob the scheme of much of its practical value. The water to be used is not sub-soil water—an insuperable adjunct of the soil—but rain water for the most part, or as the Gujerat ryot would put it, *akassia jalu*—the gift of the skies; and if only the revenue point of view—which weighs so much with the authorities on this side of India in these matters—could for once be made to give way to larger considerations of national economic safety, we should, I respectfully submit, go in for a total exemption of such *bandhara* irrigation works from special water assessment. The ryot's private improvements—wells, *tals*, and such like—enjoy such absolute immunity under the existing Land Revenue Code; and it is not easy to see why a similar concession may not be equitably extended to these communal works carried out by the village communities by their own communal efforts and enterprise.

But these are more or less minor matters of *detail*, and need present no insurmountable difficulty. Mean-while, it may be observed that Mr. Mollison's scheme, as put forward before the Irrigation Commission for the development and extension of weir irrigation in the Deccan on the basis of a reconstitution of our old village communities, is one the practical importance and urgency of which cannot be over-estimated, and deserves all the support it can receive. And should it meet—as there is no doubt that it will—with the approval and sanction of Sir Colin Scott-Moncrieff's Commission, and be loyally given effect to, it would be a lasting boon to the Deccan and its hard-hit and long suffering peasantry. A measure of protection from drought by the multiplication of those *bandhara* works would be attained, apparently impossible under any other arrangements.

IRRIGATION IN BOMBAY.*

The case for Government Aid.

As pointed out on a former occasion, the total irrigated area in this Presidency comes to about 4 per cent of the net acreage under crops, as against 49 per cent in the Punjab, 29 per cent in the North-West Provinces, 27·7 per cent in Oudh, 24 per cent in Madras, and 15·2 per cent in Mysore.

Looking to the chief sources of irrigational supply and taking the figures for 1898-99—a fairly normal year—we find the Presidency compares thus with other Provinces in respect of the total area under irrigation:—

(In millions of acres.)

Province.	Net cropped area.	Total irrigated area.	Percentage of irrigated to net cropped area.	Irrigated from					
				Well and private canals.		Tanks and other minor works.		Government Works.	
				Area.	Percentage to total irrigation.	Area.	Percentage to total irrigation.	Area.	Percentage to total irrigation.
Punjab ...	18·241	8·067	49	4·787	53·8	·198	2·2	3·081	44
N. W. Provinces...	25·030	7·270	29	3·835	53·	1·651	22 7	1·783	24·
Oudh ...	8 600	2·383	27·7	1·353	56 8	1·029	43·2	...	...
Madras ...	25·511	6·116	24·	1·169	19	2·241	37·	2·704	44
Mysore ...	5·902	·909	15·2	·70	7	·738	82	·101	11
C. Provinces	15·808	·654	4·1	·32	13	·572	87	...	...
Total ...	99·092	26·299	26	11·296	43	6·429	24	8·569	32·6
Bombay ...	23·962	·934	3·8	·572	61·	244	26·	·116	13·

*This letter appeared over the signature 'J.' in the *Times of India* dated 18th January 1902.

From the foregoing table it will be seen that while the aggregate irrigated area in the Presidency is but a bare 4 per cent of the cropped acreage, wells and private canals provide by far the largest percentage even of such irrigation—full 61 per cent as against an average of 43 per cent for other Provinces. The Oudh, North-West Provinces, and Punjab figures come close to it, but in Madras such irrigation is only 19 per cent of the total, in the Central Provinces 13, and in Mysore only 7 per cent. As to tanks and other village works, the percentage of irrigation so supplied is here about 26 as against 43 in Oudh, 82 in Mysore, and 87 in the Central Provinces—a notable disparity; while Government works help the ryot to irrigate an additional 13 per cent of his acres, as against 32 per cent elsewhere, 44 per cent in Madras and the Punjab, 24 per cent in the North-West Provinces, and 11 per cent in Mysore. It is worth noticing in this connection that no-where else—except in Berar, where there is but little other irrigation—is dependence placed to so large an extent proportionately on well-irrigation as in this Presidency.

The wells are here as elsewhere the private property of the individual ryots, and furnish a measure of this unaided enterprise and self-help in the matter. The tanks and other village works, roughly speaking, represent for the most part the outcome of rural communal or co-operative effort, while Government works constitute the extent of direct State aid accorded to the agricultural industry of the country. Regarded from this point of view, it is noticeable how largely the ryot in this Presidency, as compared with other Provinces, is left to rely on his own individual resources, and how small is the direct State assistance that is extended to him in this direction. As to communal village works—such as tanks, and ponds, and reservoirs, and rivers—he does not get here much help from them—2½ lakhs of acres being all the area so irrigated, which is not even one-sixth of what his confrere commands in the North-West Provinces, nor even one-third of what we have in the adjourning Native State of Mysore—a painfully remarkable fact, especially in a Province where such works

were at one time most numerous, but where few such now remain available for this purpose, owing to the deplorable disintegration that has taken place during the past three quarters of a century of its old village organisations.

Taking all these different sources of supply together, the total irrigational equipment of the Presidency is at present as under:—

	No.	Area irrigated in acres in 1898-99.	
A—PRIVATE WORKS—			Total irrigated area = 9,34,119 acres; 3·8 per cent of total cropped area.
(*a*) Wells	2,07,057	5,61,251	
Pucca 1,26,360			
Kutcha 80,697			
(*b*) Private canals, including Canal distributories in Poona, Bijapur and Canara.	...	11,705	
B—VILLAGE COMMUNAL WORKS—			
(*a*) Tanks—			
Pucca 746	11,115	1,13,058	
Kutcha 10,369			
C—GOVERNMENT WORKS—			
6 Canals and 20 Tanks		1,16,546	

[Works in disrepair and disuse number 26,675 wells and 2,784 tanks and other works.]

Taking the working irrigational equipment, such as we have at present, it is only too obvious how utterly inadequate it is for our agricultural needs such as it is, it does not even enable the ryot in this Presidency—admittedly one of the driest and most precarious regions in all India—to irrigate a twentieth part of his total cropped acreage, and leaves him for the bulk of his cropping entirely dependent on the year's scanty and fluctuating rain-fall. As to *wells*, on which so much reliance is placed, they number but a trifle over two lakhs for an aggregate roll of over 14 lakhs of holdings, large and small, in the Presidency, so that barely 1 in 7 holdings is, as things are, protected by a well. Similarly, we have just 11,115 *village works* for a total of 23,400 villages in rural Bombay, giving not even one such irrigating work per two villages.

Turning to *Government works*, we have at present, as noted above, six canal systems and twenty tanks thus distributed :—

1. Hatmati and Kharicut in Ahmedabad.
2. Panjra river works and Jamda canals in Khandesh.
3. Kadva river works in Nasik.
4. Pravara river works in Ahmednagar.
5. Mula, Mutha and Nera works in Poona.
6. Krishna, Man and Yerla works in Satara.

} *6 canal systems* in all.

As for *tanks*, we have four in Poona, Sholapur and Dharwar each, two in Khandesh and Bijapur, and four in four other districts.

The canals and tanks together supply irrigation to a *little* over a lakh of acres. There is not a single Government irrigation work in the *Konkan* districts where the entire irrigation (above 38,000 acres) is dependent on private works. In *Gujarat* there is but one solitary canal commanding 8,000 acres; while in the Deccan and Karnatic, whole tracts lie practically unprovided for. In *Bijapur*, for instance—a district admittedly the most precarious in the arid upland—no more than some 15,000 acres, out of a total cropped area of 27,87,225 acres are protected by irrigation and we have only just two small tanks—*Muchkundi* and *Nilgund*—under the Irrigation Department, only recently taken in hand, likely to irrigate no more than 100 to 150 acres, while all the noble rivers of the zillas—the Bhima, the Don, the Krishna, and the Malprabha—which would present to the eye of a Sir Arthur Cotton or a Colonel Fyfe magnificent facilities for irrigational supply, are suffered to course on in their channels unutilised to the sea. And this, too, be it remembered, after the bitter experiences of three calamitous famines during the past quarter of a century.

Looking next to capital outlay on these Government works, we find it amounted to £1,798,204 up to close of 1899-1900 (*vide* Material and Moral Progress Report for the year, page 154) in the Presidency, exclusive of Sind, and thus compares with similar expenditure in other Provinces :—

Provinces.	Capital outlay on irrigation works in millions £ sterling up to end of 1899-1900.	Land Revenue in millions of sterling in 1895-1896.	Percentage of capital outlay to Land Revenue.
Bengal	5·112	3·905	126
N. W. Provinces and Oudh	6·026	6·016	100
Punjab	6·311	2·396	264
Madras	6·039	5.009	120
Bombay	1·798	2·000	90

Thus while Bengal has a *total* outlay on such *irrigation* works up to end of 1899-1900 amounting to 226 per cent of its land revenue, the North-West Provinces and Oudh have 100 per cent, the Punjab has 264 per cent, and Madras has 120 per cent, Bombay, so peculiarly liable to drought and famines, has only 90 per cent of its year's land revenue demand so spent. To put the matter in another aspect, while the ryots' losses in this Presidency amounted, according to Lord George Hamilton, to full 56 millions sterling during the last two famines, not even an aggregate sum equal to a year's land revenue has been expended on these works of protective irrigation during the past three-quarters of a century.

Here, however, the responsibility rests—not with the Local Government, which is, under the existing extraordinary arrangements of Provincial Finance, divested of all power of independent and initiative control in the matter,—but exclusively with the Supreme Government, which sanctions these works and provides the requisite funds out of its own revenues. And as far as the distribution of Imperial funds for this class of works as between province and province is concerned, I contend Bombay has just reason to complain that it has not received all these years at the hands of the Government of India anything like a just or equal treatment.

But it is said that there is not much scope for large works in this Presidency, the physical configuration of the country being against any such effort. Now, how far this is a correct view of the matter, and whether none of our Bombay rivers like the Narbada, the Tapti, the Godavari, the Bhima, and the Tungabhadra can be advantageously utilized for purposes of irrigation, it is, of course, for Sir Colin Scott-Moncrieff's Commission to consider. But it may be allowable to remark that

we have had surveys and surveys over again of most of these rivers, and irrigational projects planned out thirty and twenty years ago shelved mostly on financial grounds. Among the projects so shelved may be mentioned the Godavari, Girnar, Aner, and Don schemes.

Be that, however, as it may, and whether or no large works could be carried out in this Presidency, there cannot be the slightest doubt that there was, and is, the amplest scope for less ambitious schemes. About 2,874 village tanks and other works are at this moment in disrepair, and consequently in disuse; and so, too, are most of the weirs in Khandesh and elsewhere. Besides, innumerable small works might have been executed in all parts of the Presidency to the lasting benefit of the ryot and his industry. But the sympathy with the *poor* cultivator's needs and difficulties, and the will that must spring from it to help him are alike wanting—and the "eternal want of pence" for things useful though unpretentious has so far blocked the way.

There is one more point in connection with these Government works which deserves careful consideration. The water-rates here charged per acre irrigated are heavier than in other Provinces. The following table is given in a recent Note on the subject by Mr. A. R. Becher, Accountant-General, P.W.D., dated July 26, 1901 (*vide Gazette of India*, Supplement, August 3, 1901):—

Province.	Irrigation Revenue Assessed.	Irrigated Acreage.	Rate of Revenue per acre.
	Rs.	Acres.	Rs.
Bombay—Deccan and Gujarat	4,46,718	67,816	6-6
Madras	1,09,84,823	2,768,668	4
N.W.P. and Oudh ...	98,78,152	2,653,494	3-6
Punjab	1,34,06,322	3,893,468	3-5
Bengal	13,97,144	727,026	1-9
Bombay—Sind	13,24,661	808,140	1-9
Total Rs....	3,74,37,820	Acres. 10,918,612	Rate per acre Rs. 3-4

Thus, the Bombay water-rate on the major works is nearly twice the average for India, four times the rate in Bengal, and nearly twice the rate prevailing in the N. W. Provinces and Oudh and the Punjab. For perennial crops, our present rates vary from Rs. 10 and Rs. 40 on the Mutha canals in Poona to Rs. 30 on the Pravara works in Nagar; for eight months supply the rates are from Rs. 8 in Poona and Khandesh works to Rs. 3 on the Hatmati canal; and for shorter supplies, they sink to a rupee and even under; for hot-weather crops, they range everywhere high—from Rs. 8 to Rs. 4.

These are some of the broad facts in connection with the present irrigational inquiry in the Presidency to which attention may be invited. Briefly they are :—

(1) The smallness of the area at present protected by irrigation—barely 4 per cent of the total cropped area.

(2) The utter inadequacy of the existing irrigational equipment of the Presidency—considered in reference to its great agricultural needs. Undue dependence, placed on well-irrigation—which is at present but limited in extent, just one in seven holdings having a well, and is not apparently capable of any large expansion, whether in Gujarat or the Deccan, owing to the unfortunate geological conditions that exist.

Many village works—neglected and in need of repair. Government works,—yet too few and too small in aggregate irrigating capacity.

(3) The small total capital outlay on irrigation works in this Presidency, as compared with other Provinces—not yet equal to even a year's land revenue demand, being up to close of 1899–1900 £1,798,204.

Unjust treatment dealt out to this Presidency under the existing system of Provincial Finance—in the matter of allocation of Imperial funds for this class of public works.

(4) The heavy water-rates charged in this Presidency on irrigated acreage—especially on the major Government works, as also the crushing Patasthal assessments; Rs. 8 to Rs. 10 per annum on weir and channel-watered lands.

Trusting to be excused for the length of the letter, I remain yours etc. J.

PRICES AND PROSPERITY. *

Magna est veritas et prevalebit.

I have read with much interest the article on "Prices and Prosperity" by an I. C. S. in the current issue of the *Indian Review*. The writer is evidently a believer in the Gospel of the old Mercantile system and its tenets, and is convinced that the precious metals really constitute a nation's wealth. It is worth noting how this most mischievous body of economic doctrine,—which almost proved the ruin of Spain in the 16th and 17th centuries, and which has since been discarded in Europe—is still a living creed with so many—out here on this side of the Red sea—particularly among the members of our Heaven-born Civil Service. To their thinking, East is East—after all the upheavals of the past decade—and West is West in the sphere of Economics no less than in that of Politics; and the conclusions of Adam Smith, Ricardo, and J. S. Mill—whatever their application to economic conditions in Europe—are simply

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* This article appeared in the *Indian Review* of Madras, for October 1907. It was a reply to a contribution on the subject of "Prices and Prosperity" by "I. C. S." appearing in the same number of the *Review*. "I. C. S." had argued as follows :—

Before the introduction of British Rule, there was comparatively little trade; much of it was carried on by barter; Government revenue and wages were paid in the same way. Supply of the circulating medium was small, and it was little used After the advent of British rule, the demand for money rose in all directions and prices fell. In twenty years ending with 1855, the total silver out-turn of the mints was 68½ crores, or an average of less than 3½ crores yearly The active circulation of India fell from 25 crores in 1835 to less than 14 crores in 1851. The gold discoveries in California and Australia reduced the value of silver in Europe, which then began to be imported into India at cheaper rates. The expansion of Indian trade exports simultaneously facilitated the imports of silver. In the decade 1845-54, the net imports of silver into India were 15¼ crores; for 1855-64, they were 109¼ crores; for 1865-74, 62½ crores; for 1885-94, 104½ crores; for 1894-1904, 9 crores. Paper currency was issued in 1863, and at the end of 1904-05 its circulation came to over 39 crores. Most of the silver imported went into the currency. In the decade ending 1904-05 the value of silver coinage was 66½ crores, and the effective circulation of India which was 14 crores in 1851 may now be taken to be not less than 400 crores. As the supplies of currency have increased, its value in relation to other articles has fallen, *i. e.* prices have risen. The advance in the prices of food-grains in the last 40 or 50 years has been well-marked in all grains and in all provinces. On comparing figures, it is seen that there has been an *average* rise in the prices of food-grains of from 20 to 27 per cent in the last forty-five years ending 1905. This means improved conditions for the agriculturist who gets one-fifth or one-fourth more money for his grain, and whose land fetches more value. The savings in banks, growth of capital, the growth of litigation, drink, railway-travelling, and post-offices, and other luxuries, and rise of trade and revenue, are sure signs of increased prosperity. The man with fixed salary *e. g.* the Civilian, is the worst sufferer from this rise of prices. The small capitalist will also suffer. "But to the general population of India, the expansion of the currency, the consequent rise in prices and the consequent development of trade, industry and commercial activity of all kinds is on the whole a beneficial phenomenon which may confidently be expected to result in increasing general prosperity."

out of place here in the Oriental World as are the political principles and ideals of Western democratic writers and statesmen. Such is the spell of pre-conceived theories and metaphysical abstractions over the minds of the Lotos-eaters.

The leading idea running through the whole of the article is that coined money is national wealth and that national prosperity is but a function of coinage and currency. There has been a heavy net import of silver into India—since 1835—particularly during the post-Mutiny period—487·25 crores in all up to the end of 1906-7; and most of it having gone to the mints—the currency of the country has received large and continuous expansions. Our total coinage, up to March 31, 1907 was Rs. 443,06,36,216 (*vide* the recent Report of the Currency Department, in Supplement to the *Gazette of India*, Aug. 31, 1907). The I. C. S. is, however, wrong in holding "that the effective circulation of money . . . may now safely be taken at not less than 400 crores." For, allowance has to be made for loss and wastage, melting and hoarding—and trans-frontier export—during the period—1835-1907; and distinguished experts—including Mr. F. C. Harrison, Accountant General, Allahabad, and Mr. W. S. Adie, Assistant Accountant General, Burma—concur in thinking that the effective rupee circulation in India varies from 125 to 130 crores. All the same, we have to accept the fact that the currency of the country has been largely added to in these years; and as one result of such an extending currency, as the writer says, prices have generally risen all over the country. After quoting figures in illustration, the I. C. S. argues that there then could be no better or stronger proof of the nation's advancing wealth than such a general rise of prices—a conclusion which is further buttressed by collateral evidence gleaned from other features of the economic position, *e. g.* an expanding foreign trade, a growing revenue, an increasing amount of deposits in savings and other banks—&c. &c.

Such is, briefly, as I understand, the I. C. S.' argument—as sketched out in the article. The argument is simple

—and fascinating in its simplicity; but unfortunately, it is weak and illogical and cannot bear close examination. It is vitiated by three distinct economic fallacies—

(1) That money is wealth;

(2) That currency determines and regulates the level of prices; and

(3) That a general rise of prices means a general advance in national prosperity.

Let us take these points in order.

(1) First, then, as regards Money—strangely enough, the writer confounds Money with Value and takes it as wealth. He forgets that Money is only a Measure of Value—not Value itself—and is a medium of exchange. Coin or paper or credit—it is but a ticket used in the exchange of commodities; and the scale of prices—whatever it is—marks only the general level at which commodities interchange; and it could make no difference whatever in the wealth of community —whether that level were twice as high or twice as low Rupees—taken *per se*—are no more a constituent part of national wealth than pebbles on the sea-shore. As J. S. Mill remarks: "There cannot . . . be intrinsically a more insignificant thing, in the economy of society, than money—except in the character of a contrivance for sparing time and labour. It is a machine for doing quickly and commodiously, what would be done, though less quickly and commodiously, without it." And even as such—it might be added—"money acts upon prices in no other way than by being tendered in exchange for commodities"—the money so offered, not the money possessed.

(2) Next, as to the influence of Currency on the general course of prices—there is no doubt, that it is always constant and considerable. At times, it is even predominant. Periods of inflation and stringency at intervals occur, marked by large monetary disturbance and violent oscillations of prices. But it is clear, Currency is never a sole determinant in the case-

As we all know, there is behind the economic phenomenon the Equation of Demand and Supply. Currency—to the extent it is effective—represents only one factor in the problem—the factor of Demand—as measured by the amount of money—coin or paper offered for purchase of commodities—whether for the home or for foreign markets. But there is also the correlative factor—the factor of Supply—which cannot be left out of account. Prices are a resultant of the inter-adjustment of these two factors. If the Supply is constant and remains unchanged, while the Demand goes on expanding—whether as representing the growing requirements of the home or of foreign markets,—the monetary balance is disturbed, and the prices of commodities rise. Conversely, if the Demand continues stationary, while the Supply is on the increase—due to improved or more economical methods of production or increased industrial efficiency and activity—prices naturally tend to fall. In a case where the Supply is a failing Supply, and that, too, concurrently with an expanding Demand, there must be a steady rise of prices. And this is, as I apprehend, what is just now happening in India. A moment's consideration will make this clear.

Agriculture, with us is the only industry of the nation that still survives, and there is no other—excepting perhaps the Cotton mills of Bombay, which, again, are not all Indian. And consequently it is about the sole source of our national Supply—whether for home requirements or for foreign export. And yet, unfortunately by the concurrent testimony of expert observers including Sir J. Caird and Dr. Voelcker, this national industry is steadily on the decline. There is, in the first place, the serious exhaustion of the soil fast proceeding throughout the country under an exhausting system of cultivation, and there is little or no replenishment. Next there are the violent fluctuations of the seasons—years of deficient or ill-distributed rainfall occuring with greater frequency than ever. Then, again, we have to consider the growing poverty, resourcelessness and indebtedness of the cultivators who are

less and less able to make the best of the acres they hold and till. As a consequence, the yield of crops in India is deplorably low—perhaps the lowest in the world—8-10 bushels to the acre as against 30 and 40 bushels in European countries, and what is worse—is going down lower. Under these circumstances it can be no matter for surprise if our annual national supply of commodities for home and foreign markets is a continuously diminishing supply. And the distressing fact of such failing supply is one of the most determining facts of the economic situation in India, and has to be prominently borne in mind in any proper and comprehensive consideration of the question of prices in the country.

A brief retrospective survey of general movement of prices in India since the establishment of British rule would not be deemed out of place here in this connection as illustrating the leading features of the position.

In the Moral and Material Progress Report for 1882-83, Mr. Pedder has these observations in his memorandum on Prices:—"Before the introduction of British rule, there was comparatively little trade, much of what trade there was carried on by way of "barter"; and a considerable portion of the receipts and disbursements of the Government was in kind not in cash. Hence if the circulating medium was limited in quantity, its duty, that is, the number and amount of the transactions in which it had to be exchanged for goods or labour, was still more limited, and prices were high. After the general introduction of British rule, a heavier duty was thrown upon the circulating medium by the extension of trade, by the greater demands of the revenue for cash (especially of the land revenue assessments in kind being converted into assessments in coin), by the system of the British Government of paying its army and its officers in money. The circulating medium could not expand to the extent demanded by this altered state of things; importation of bullion was not sufficient to make up the amount annually withdrawn from circulation by waste, by being hoarded or by being converted into ornaments; or at

any rate, was not sufficient to increase the currency in proportion to the greater duty thrown upon it, while at the same time, with peace and a settled Government, there was a great extension of cultivation and consequent increase of production. Hence prices steadily fell. But about the middle of the century, the foreign demand for Indian produce began to increase greatly, the first impulse being given by the Crimean and American Wars."—(p. 201).

It may be noted that during the 20 years since 1835-36 the total silver coinage at the British mints was 68·5 crores—at about 3·4 crores per annum, while the foreign export of Indian merchandise averaged 12·4 crores of rupees a year during the decade—(1835-36—1844-45)—and 17·3 crores during the second—(1845-46—1854-57).

The following is a tabular summary of the general course of prices in India during the past 52 years—put together on the basis of facts and figures supplied in Government of India annual publications:—**1855-6—1906-7.**

Period.	Total Coinage during period.	Foreign Export of Merchandise annual average for period.	Seasons.	Prices.	Remarks.
QUINQUENNIAL.	Rs. Crores.	Rs. Crores.			With the suppression of the mutiny there commenced a new era of commerce and industrial activity.—The influx of the precious metals began about the time of the Mutiny.
1st 1855-6 to 1859-60	47·5	24·9		A general rise about 1860.	
2nd 1860-61 64-5	43·3	42·1	Famine of 1886 in the U. Provinces and the neighbouring districts of the Punjab and Rajputana.	The rise continued.	The American War of secession (61-5) gave a great impetus to the cultivation of cotton in India; there was a heavy import of Silver; a large coinage; and a great rise of prices ensued.

3rd 1865-6 69-70	36·6	55·8	Famine of 1866 in Orissa extending in Bengal, Behar, Madras, & the C. Provinces & Famine of 1869 affecting Western Rajputana and N. India.	A rise of prices.	Prices would have fallen but for the two famines of '66 and '69—an increase of foreign export—and a large addition to currency.
4th 1870-1 74-5	14·6	56·2	Scarcity in Behar—otherwise, fair seasons.	No large disturbance. A tendency to a fall—and a fall in places.	Almost a normal position was reached.
5th 1875-6 1879-80	42·4	60·3	Famine of 1877-8 affecting an extensive tract in W. and S. India.	A rise in the prices of food grains.	A heavy coinage—a widespread failure of crops—an expanding foreign export—are among the note-worthy features of the period.
6th 1880-1 84-5	22·3	79·08	Scarcity in the Punjab in 1884 and distress in parts of Bengal & Madras in 1885.	A lower range.	The crops were on the whole good—except rice. Rice was bad in 1883—and 1885.

The following is a tabular summary of the general course of prices in India during the past 52 years—put together on the basis of facts and figures supplied in Government of India annual publications:—**1855-6—1906-7.**—(*Continued.*)

Period.	Total Coinage during period.	Foreign Export of Merchandise annual average for period.	Seasons.	Prices.	Remarks.
7th 1885-6 1880-90	41·53	88·63	Famine in a part of Madras 1889. Scarcity in Behar and distress in Orissa.	A rise of prices.	A heavy coinage.
8th 1890-1 94-5	36·3	104·99	Prolonged drought causing Scarcity and distress in Madras, the Bombay Deccan, Behar and Upper Burma in '91-2.	Prices rose almost to famine levels.	Large exports—an unprecedented export of wheat owing to the failure of crops in Europe; large coinage; drought. Closing the mints in June, 1893.

9th 1895-6 1899-1900	4·75	107·53	Two periods of intense and wide-spread famine 1896-7 and 1899-1900.	Prices rose to the highest levels on record.	Famines in the land— An extensive export trade in rice continued, and in 1898-9 the exports of rice, wheat & other food-grains were larger than in any previous year except 1891-2.
10th 1900-1 04-5	61·67	124·92	The Seasons, fair to good.	A fall of prices except in the case of rice.	A heavy demand from foreign markets—for rice & wheat; a contraction of the area under rice. A fall in the case of food-grains other than these.
Years 1905-6	26·38	161·82	Droughts, floods, unseasonable heavy rain. In Bombay and the C. Provinces, the crops suffered. Elsewhere, they were fair to moderate.	A rise of prices.	A heavy coinage, a large foreign demand.
1906-7	9·13	176·66			,,

Taking some of the principal food-grains—*e.g.*, *rice* in Bengal, *wheat* in the U. Provinces, *gram* in the C. Provinces, *bajri* in Madras and *ragi* in Mysore—the variations in prices during this period of 52 years have been as per subjoined table:—

TABLE

TO ILLUSTRATE

VARIATIONS IN PRICES.

"Seers" per rupee.

Period.	Rice in Bengal.	Wheat in the U. Provinces	Gram in the C. Provinces.	Bajri in Madras.	Ragi in Mysore.	Remarks.
Decade ending						Averages for all India.
1810	...	...		27½		
1820	55 3/4	...		23		
1830	52 1/4	28 1/4		26		
1840	52	26 3/4		29		
1850	62½	32		31 3/4		
1860	50	31		31 1/4		
Quinquennium ending.						A rise of prices 1861
1865	25·8	22·6	29·1	23·7	28·3	Rising
1870	20·8	17·3	15·0	19·7	23·3	,,
1875	21·3	18·9	25·5	26·6	37·1	Falling
1880	18·0	18·1	21·4	17·6	17·6	A rise of prices
1885	21·2	19·8	29·1	27·4	27·4	A lower range
1890	18·3	16·1	20·0	24·3	31·8	A rise
1895	14·9	14·9	17·6	19·1	23·8	Rising
1900	13·3	12·6	13·2	17·6	1 ·	,,
1905	13·2	14·5	16·6	18·5	22·0	A fall
Year 1907 in July	8·4	11·5	13·5	12	20	Rising

The fore-going tables—summarizing the facts relating to the rise and fall of prices during the past half-century—refer mainly to one class of agricultural products—viz. food-stuffs—leaving out raw materials. But, even so, as far as they go, they serve conclusively to show that it is not Currency alone that fixes the general level of prices as the I. C. S. imagines, but that the level depends upon the concurrent action of four distinct influences—currency being but one. Foreign Export, Home-Demand, National Supply, and Currency—have all had their share in determining the course of prices with us since 1860.

(*a*) As to *Foreign Export*—the foreign demand has been going up by leaps and bounds—the export of merchandise,—which was about 25 crores during the first quinquennium of the period ending 1860—rose at a bound to 65·6 crores in 1863-4 and 90·5 crores in 1887-8, is now this year over 176 crores. The increase has been steady and continuous with but slight fluctuations even in famine years. In the six years ending 1901-2—including two calamitous famines—it was as under :—

	Rs. crores Total.	Exports in crores of Rs.		
		Rice.	Wheat.	Oilseeds.
1895–6	114·3	13·4	3·9	9·6
96–7	103·9	11·8	·8	8·0
97–8	97·6	11·6	1·3	8·5
98–9	112·7	15·6	9·7	11·8
99–1900	109·0	13·0	3·9	10·1
1900–1	107·7	13·1	·03	9 0
01–2	124·9	13·8	3·2	16·7

(*b*) Next comes in *Currency*. Large issues of coined Rupees have been made to suit the exigencies of Foreign Export and to give effectiveness to the expanding Foreign Demand. Over-issues have at times tended to raise or keep up prices as *e. g.* in the quinquennium ending 1890. Nearly 100 crores of coined rupees have been added to the country's currency since 1899.

Year.	Amount of coinage.	
1899–1900	2·2 crores.	99·4 crores in 8 years—the annual average being 12·4 crores as compared with the annual average of 6·4 crores in the decade ending 84-85 and of 7·7 crores in the decade ending 94–5.
1900–1	17·26 ,,	
01–2	6·13 ,,	
02–3	11·38 ,,	
03–4	16·33 ,,	
04–5	11·37 ,,	
05–6	26·38 ,,	
1906–7	9·13 ,,	

Such large expansions of currency, I agree with the I. C.S., cannot be without their influence on the general scale of prices.

(*c*) Then, as regards, *Home-Demand*—there have been the requirements of a growing population. The population of the country has increased between 1881 and 1901 from 253 and to 294·29 millions—an increase of over 40 millions or say 2 millions a year. Adding 10 millions to the total for the increase at that rate for the past 5 years—we have 50 millions added to the population of the country since 1881. Assuming the average yield of the food-crop area at ·357 of a ton per acre, and the average food consumption at ·205 of a ton per head of the population it would seem that the 50 million persons added to the population during the past 25 years alone would require for their food-supply the produce of over 35 million acres of food-crops—at 700,000 acres per additional million.

(*d*) Lastly, as to the *Supply* to meet this double Demand, home and foreign,

(1) There have been undoubtedly large extensions of cultivation during the period in most Provinces—on the one hand, and on the other, extended acreages under irrigation—both resulting in a considerable increase of production.

(2) But, with all this addition, the country's Supply has been in most of these years more or less short of the requirements, one potent cause of such deficiency being frequent and serious crop-failures. In 8 out of the 10 quinquennial periods during the past 52

years there were droughts and seasons of deficient rainfall, and as a consequence, more or less serious failures of crops over extensive areas. Only in 2 quinquennial periods, we had good to fair seasons—the periods ending '75 and '85; and in one or two years of the last quinquennium.

As a consequence of such failing Supply—owing to crop-losses—we have had, other causes concurring, a continual rise of prices in most of these years—with only occasional checks interposed in normal seasons of good rainfall. The worse the season and the more serious the crop-failure, the higher the level of prices; and the highest on record was reached in the 9th quinquennium—ending 1900—agriculturally the most calamitous of the century. In fact there has been in these years seldom a substantial advance in prices without some such seasonal failure being an invariable concomitant. The quinquennium ending '75 an '85 and part of the 10th, which were fortunately free from any such calamity, are associated with a falling or lower range. Only in here and there a year an over-issue of rupees, as *e. g.* in 1885-9, has tended to raise prices or keep them up.

Surely, such a rise of prices—maintained under such conditions cannot mean, as the I. C. S. claims, an advance in the general prosperity of the country. If anything, it is a grave symptom—as it is a painful consequence—of the country's declining agriculture; and we can all understand what such decline must connote in a country essentially agricultural.

Under another aspect, such a rise in the prices—especially of food-stuffs—what a contrast does it present, as compared with the general movement of things in the rest of the world! In all progressive lands, food tends to be cheaper every year—the food of the people—both rich and poor, high and low. In England and Wales, in Prussia, in Sweden, in France, in the U. States, the price of wheat, for instance, showed a continuous fall during the past half-century :—

Average price of Wheat per Imperial Quarter.

Year.	England and Wales.	Prussia.	Sweden.	France.	United States (New York.)
	s. d.	s. d.	s. d.	s. d.	s. d.
1857	56—4	44—5	30—5	56—8	54—5
1881	45—4	47—11	46—2	51—8	45—4
1903	26—9	33—9	33—6	38—3	29—4

In India, on the contrary, the people's food has been ever since 1860 dearer and dearer, and that too, be it noted, concurrently with a falling income, and a stationary or falling range of wages. The economic significance of the contrast is clear, and needs no emphasizing.

But these observations apply only to one side of the economic phenomenon. The prices and their variations during the past 52 years as summarized in preceding statements are generally those of food-grains. In this case it is the Home-Demand—as represented by the wants of a population of 300 million souls—re-inforced by a more or less considerable demand for foreign markets—that goes to determine the level of prices.

It is not, however, food-stuffs alone that we grow. As a nation of agriculturists we grow also, side by side, large quantities of raw material for manufacture—cotton and jute, oil-seeds and dyeing-stuffs; and as we have but a few manufactures of our own, we send out most of such raw material to foreign markets. What has been the course of prices of these raw materials during the past half-century? Has there been a rise as in the case of food-stuffs. The governing factors being almost the same, *prima facie*, it would seem that the rise of prices noticed above extends equally to both classes of agricultural products.

The fact, however, is otherwise; and it is perhaps a revelation to many that it is so. The prices of these raw materials —far from sharing in the rise—have been during the period either stationary or falling, except in here and there a famine year or a year when the world's competing crops have been

short of the normal. In the case of these commodities, it may be noted that it is mainly—if not entirely—the Foreign Demand—the demand for exports to foreign countries—that regulates and measures the supply ; and the prices ruling in these foreign markets determine their level in India. In almost all countries, the tendency has steadily been to a fall in the prices of these raw materials ; and to maintain her exports India has had, in harmony with the general international tendency, to supply raw materials to manufacturing countries abroad at correspondingly lower prices. Obviously she cannot stand aloof from the world's concert.

Hence, it is noticeable that the prices of these exports—cotton, oilseeds etc.—unlike those of food-stuffs, though marked by occasional oscillations, discover an unmistakable tendency to a fall—not to a rise. Jute is an exception—in which article we have a practical monopoly. The following figures relating to cotton, linseed, and jute will suffice to illustrate this aspect of the question :—

Year.	Average prices in Calcutta in Rs.		Jute.
	Cotton.	Linseed.	
	Dhollera fair, per candy of 784 lbs.	per maund.	per bale 400 lbs.
	Rs. A.	Rs. A. P.	Rs. A. P.
1870	284—14	4—9—10	36—4—7
1875	174— 3	4—1— 7	23—2—0
1880	203—	4-10— 3	30-11—0
1885	194—14	4—4— 6	20—8—0
1890	190— 4	4-10— 2	29—0—0
1895	182— 2	5—9— 8	33—9—0
1900	214—13	6—9— 7	36—5—0
1905	192— 4	4-14— 3	46-14—0

Taking both sides of this question of prices (food-stuffs and raw materials) and looking at the position as a whole, we reach the conclusion that there has been almost a continuous rise in the prices of food-stuffs during the period, while those of raw materials for manufacture have been stationary—or with a decided tendency to a fall.

The contrast thus presented by the two parallel sets of prices is—taken *per se*—a striking economic fact, and must arrest attention. But when it is further noted that this contrast is accompanied by a change, as yet only slowly developing, in the general course of cultivation—an extending growth of raw materials for foreign export—in the face of a stationary or falling range of prices, and concurrently with it, proportionately narrowing acreages under food-stuffs, with a high and rising level, we seem to be face to face with a new agricultural situation of the gravest import—a situation which is still in its first stages, but is none the less deserving of serious consideration.

As it is at present, our total cropped area—including areas cropped more than once—is 238·6 million acres—thus divided:—

(*a*)	Food-crops	185·4 million areas
(*b*)	Non-food-crops	53·2 ,, ,,

For further extensions of cultivated acreages, there is some but not much room—particularly in the older Provinces where most of the cultivable land is already under the plough, while the cultivable waste still available—105 million acres—lies mostly in Burma, the Punjab, the C. Provinces, Sind and Assam.

The general movement of prices being as has been summarized in previous paragraphs—those of food-stuffs rising while those of raw materials are stationary or falling—one would suppose that the Ryot was growing more of the former in preference to the latter; and under normal conditions, he would be certainly doing so. But things in India are—economically speaking—getting so much out of joint, and the whole industrial life of the country is coming to rest so much on a non-economic basis, that *he is doing just the opposite*—giving less land to food-crops and more to non-food products.

As things are, it may be observed that the Indian cultivator has a double demand to meet. There is, on the one side, an increasing home-demand particularly for food supplies—to provide for the wants of a growing population; and on the other, a parallel foreign demand for raw materials for manufacture, growing and expanding to continually larger and

larger proportions. Confronted with such a double demand, the Ryot with his generally stationary acreages (or acreages, only slowly increasing) must have recourse—to be able to cope with it—to intensive culture and agricultural improvement and get more and more from the land he tills—an effort of which in his present circumstances he is simply incapable—or, failing in that attempt, set himself to meet the one or the other by a re-adjustment of his acreages as between the two classes of crops, and grow more food-grains for home-requirements or more raw material for foreign export—relegating the question of food-supply for the home market to a secondary place in his calculations. Evidently, circumstanced as he is at present, he cannot do both. Accordingly, as far as could be gathered from available statistics, it would appear, that he is adopting the latter course, *i. e.* growing more and more raw material for foreign markets, as compared with food-stuffs. He is putting larger acreages under cotton and jute and oilseeds, and proportionately smaller one under wheat and rice, bajri and maize. The following figures quoted from "Agricultural Statistics of India"—11th, 16th, 21st Issues—will serve to bring out the point in clearer relief :—

In millions of acres.

Year.	Cropped area under food-grains.	Cropped area under non-food products.	Total area cropped including areas more than once.
1892–3	180·0	41·2	221·2
93–4	181·2	44·2	225·4
94–5	181·5	42·2	223·7
95–6	172·2	41·6	213·8
96–7	160·7	39·7	200·4
97–8	182·7	41·0	223·7
98–99	182·0	41·6	223·6
1899–1900	164·8	39·0	203·8
1900–01	182·0	42·9	224·9
01–02	176·9	50·4	227·3
02–03	183·7	50·4	234·1
03–04	186·8	52·0	238·8
04–05	185·4	53·2	238·6
Total increase since 1892-8	5·39 (3 p. c.)	1[illegible]·0 (29 p. c.)	17·4 (8 p. c.)

Thus the total increase in cropped areas during the 12 years since 1892-3 was 17·4 million acres or about 8 p. c.—thus distributed :—

Food-crops—5·4 million acres or about 3 p. c.
Non-food-crops—12·0 „ „ 29 p. c.

More than ⅔rds of the added acreage during the period was for the cultivation of non-food crops and less than a third for food-grains.

Now, estimating the increase of population during these years at, say 15 millions as per margin, it would appear that the food-crop area required for the support of these added millions was about 10·5 million acres at 700,000 acres per million. And yet, it is worth noting that instead of putting the needed additional acreage under food-grains—which he had every motive and inducement to do, under the conditions prevailing as regards both prices and home-market requirements,—the Ryot, as a matter of fact, gave full 12 million acres most out of 17·4 new to non-food crops, and just 5·4 to food-stuffs—barely half the area necessary. Of these non-food crops, the area under cotton, jute and oilseeds increased during the period by close on 5 million acres—having advanced from 24·5 million acres in 1892-3 to 29·4 in 1904-5—and such an increase, be it remembered, in the face of stationary or falling prices.

Increase between 1891-1901...6·9 millions (by census)
„ „ 1901-1905 at 2 millions a year ...8 „

This is the most perplexing fact of the position—the cultivator under the circumstances, growing more and more raw material for foreign export, in preference to food-stuffs, and doing his work to all appearance on such non-economic lines and in such servile dependence upon the foreign exporter. The point is deserving of close and careful investigation. May it be—which is not very likely—that he is doing so because he finds such cropping of exportable raw materials on the whole more profitable—even with a stationary or falling range of prices? Or does it indicate,—a much more likely explana-

tion,—a steady and alarming growth in the operation of a system under which the foreign exporting firms and their agencies in the country accommodate the cultivator with cash-advances which he is—through utter lack of independent means and in the absence of the Sáwkar's or money-lender's aid—forced to seek and accept,—or buy up his standing crops, paying him across the counter, which brings him cash just when he needs it most? Be the Ryot's reasons what they may—for his new re-adjustment of cultivated acreage—the fact of such re-adjustment is there, an incontestable fact, and, to my thinking, constitutes a change in the general agricultural situation in the country—a change—which as it develops—is fraught with the gravest peril to our national industry as tending to increase our helpless subservience to the exigencies of foreign markets, and at same time, jeopardize the food-supply of the people. If things should be suffered to go on as they have been going on during recent years unchecked and uncounteracted, the present 'phenomenal' rise in the prices of food-stuffs,—noticeable in most Provinces,—would establish itself as a permanent feature of the position, making the lot of the toiling millions in the land—already so hard—harder still; and we should be brought within measurable distance of a crisis in regard to our food-supply, the gravity of which could hardly be over-estimated.

From another point of view, such a change would mark a definite stage in insidious beginnings of what might be described as a foreign exploitation of our agriculture in the economic interests of foreign countries. Our foreign trade is already in foreign hands, controlled, directed and financed by the foreign merchant; our mines are almost all owned and worked by the foreign capitalist. Foreign enterprises are steadily growing up on all sides in the country under foreign auspices; and now even our agriculture is coming to be exploited for *foreign* markets! This is the danger of the new situation and demands the serious attention of the Swadeshi Reformer.

This is all, however, only *en passant*. Let me return to the third and final of the three positions advanced in the I. C. S's article. He is under the impression that a general rise of prices indicates an advance in the general well-being of the country. This is a strange illusion and I think, I cannot do better than quote J. S. Mill's remarks on the point :—

"People have an indistinct feeling when all prices rise, as if all things simultaneously had risen in value, and all the possessors had become enriched. That the money prices of all things should rise or fall—provided they all rise or fall equally—is, in itself and apart from existing contracts, of no consequence. It affects nobody's wages, profits or rent. Everyone gets more money in the one case or less in the other, but of all that is to be brought with money, they get neither more nor less than before. It makes no other difference than that of using more or fewer counters to reckon by." (Pol. Ec. Bk. III. Ch. I. 4).

A real increase of wealth and prosperity comes to nations as is does to individuals, not from any reckless piling up of coined rupees—nor again from any rise of prices—which, as shown before, is in India almost invariably associated with crop-failures and famine conditions, but only from increase in industrial activity, energy and efficiency on the one side, and on the other, from increased productive employment of capital. With us, there is a deplorable deterioration in both respects. Agriculture—the sole surviving industry of the nation—is steadily and seriously on the decline, and the agricultural classes are everywhere increasingly in distress. There is but little accumulation of capital in the land—the motives to saving being few and far from effective, and as regards the meagre savings that do take place, it is only a small and diminishing amount that is devoted to productive use. And as long as these conditions prevail—it is idle, I submit, to talk of the increasing prosperity of the country.

In his concluding remarks, the I. C. S. refers to the growing foreign trade of the country as being *inter alia* an unmistakable proof of its increasing wealth. Well, with all

submission it may be permissible to point out that there can be no more grievous error. Our foreign trade—extending and expanding as it is, beyond all anticipations—is entirely under the control and direction of the foreign merchant—who is exploiting our resources—and with such marvellous skill—in the economic interests naturally of his own—not of this country. It has already destroyed our manufactures and art-industries, driving a whole nation to the plough, and rendering its labour less productive; and it is now making food dear and scarce to millions and millions of our poorer classes. A foreign Commerce carried on under such conditions and on such lines must always be a source of incalculable harm—never of good to the nation.

Here I conclude. These observations suggested by a perusal of the article on "Prices and Prosperity"—have grown to greater length than I had expected; but the nature of the subject is my excuse.

P. S.—Since the above was written, the ninth number of Area and Yield of Certain Principal Crops in India for 1892-3—1906-7 has been issued by the Commercial Intelligence Department, India. It is a most useful compilation—giving statistics up to date—and for all India—including both British Territory and Native States.

The figures here supplied—as far as they go—lend ample corroboration to the conclusions reached in the paper as regards the remarkable change that is coming over the general agricultural situation in the country, in respect of both the character of cultivation and the course of prices of food-stuffs.

TABLE A.

The following is a comparative table, giving acreages under *rice* and *wheat* on the one side and, under cotton, linseed, rape-seed and mustard, sesamum, ground-nut and jute on the other :—

Rice.		Wheat.	Rice & wheat.	Cotton.	Linseed.	Rape-seed and mustard.	Sesamum.	Ground Nut.	Jute.	Total cotton &c.
Year.	Area in Million acres.	Area in Million Acres.	Total Area in Million acres.*	Area in Million acres.	Area in Million. acres.	Area in Million acres.	Area in Million acres.	Area in Million acres.	Area in Million acres.	Total area in Million acres under Cotton Jute.*
1892–3	48·3	27·7	76·1	13·4	4·2	5·4	2·8	...	2·1	27·9
93–4	49·5	28·7	78·2	15·4	5·3	5·1	3·1	...	2·2	31·1
94–5	50·0	28·4	**78·4**	14·9	4·3	5·2	3·4	...	2·2	**30·0**
95–6	49·4	24·0	73·4	14·5	3·5	4·3	3·7	·2	2·2	28·4
96–7	48·0	20·5	68·5	14·6	2·3	4·4	4·0	·3	2·1	27·7
97–8	52·2	24·5	76·7	13·6	3·1	5·2	4·2	·2	2·1	28·4
98–9	52·6	25·3	77·9	14·6	3·2	4·6	4·2	·2	1·6	28·4
99–1900	51·97	18·6	70·5	11·8	2·0	4·0	3·8	·17	1·9	24·2
1900–01	48·9.	23·8	72·7	14·2	2·8	5·5	4·6	·29	2·0	29·4
01–2	48·5	23·4	71·9	14·5	3·0	4·5	4·3	·43	2·2	28·9
02–3	57·8	23·4	75·2	16·5	3·2	5·7	5·1	·49	2·1	33·1
03–4	49·4	28·4	77·8	18·0	4·2	6·0	5·5	·47	2·2	36·3
04–5	51·58	28·4	79·2	19·9	4·3	6·1	4·7	·46	2·9	38·3
05–6	54·42	26·3	80·3	21·0	3·2	6·0	4·6	·48	3·1	38·4
1906–7	54·52	29·4	**83·9**	22·34	3·6	6·3	4·6	·60	3·44	**40·8**

Remarks on above :—

Thus it may be noted that

(*a*) While the aggregate acreage under rice and wheat since 1894-5 rose only by 5·5 million acres—having advanced from 78·4 million acres in 1894-5 in 1906-7 or about 7 p. c.,

(*b*) That under cotton, linseed, rape-seed and mustard, sesamum, and jute (leaving out ground-nut for accuracy of comparison) increased by over 10 million acres from 30 million acres in 1894-5 to 40·2 in 1906-7 or approximately 34 p. c.

These figures relate to all India, and seem unmistakably to illustrate the new tendency that has set in the whole country over for the cultivator to grow cotton and jute and other raw material on a proportionately larger acreages to meet the requirements of foreign markets—notwithstanding a lower range of prices—in preference to rice and wheat so urgently needed for home supply.

Here is another table (B) to illustrate some of the causes of the present rise in the price of *rice*.

TABLE B.

Year.	RICE.		Price per rupee in "seers" Madras (acreage.)
	Yield in million cwt.	Export in million cwt.	
92–3	420·2	·39	10·9
93–4	459·1	24·0	11·9
94–5	497·9	33·7	12·4
95–6	415·3	34·6	12·3
96–7	275·6	27·8	9·5
97–8	498·3	26·3	9·9
98–9	505·6	37·3	12·5
99–1900	451·5	31·8	9·3
1900–1	413·5	31·0	9·5
01–2	384·2	33·7	11·2
02–3	459·4	47·0	12·2
03–4	439·2	44·4	12·4
04–5	448·4	48·8	9·9
05–6	433·1	42·2	...
06–7	430·2	38·0	7·2

(8—6 seers in Bengal.)

Remarks :—

(1) The yield in 1906–7 was 430·2 million cwts.
as against 497·9 ,, in 1894-5
and ,, 505·6 ,, in 1898-9
or less by 47·7 mill. cwt. than 1894-5
and ,, ,, 75·4 ,, ,, ,, 1898-9

(2) We have to consider the growing requirements of a growing population and

(3) ,, ,, ,, further the foreign demand.

The export in 1893-4 was just 24 mill. cwt.
rose to 34·6 ,, ,, in 1895-6
after considerable fluctuations, increased to 47·0 mill. cwts. in 1902-3
and was in 1906-7, 38·0 ,, ,, still more than in 1895-6.

Thus a *diminished crop yield—a larger range of export*—the *requirements* of an *increasing population*—these would seem sufficiently to account for the *present rise* in the price of rice—(noticeable in all Provinces) from 12·4 and 12·5 seers and chillaks in 1894-5 and 1898-9 respectively to 7·2 seers in Madras, *e. g.*

In the face of such facts, would the I. C. S. still claim the *rise* in the *price* of *rice* at present observable all over the country—due to a *decrease of crop-yield*—as officially estimated—as *an "unmistakable" proof of the country's "growing" prosperity?*

The figures for *Madras* would be of some interest in reference to the cultivation of *rice*—

Year.	Area in Millions acres.	Yield in Million cwt.
1892–3	6·4	35·9
93–4	6·7	37·0
94–5	6·5	35·6
95–6	6·8	36·3
96–7	6·6	48·3
97–8	6·9	47·9
98–9	7·1	54·9
99–1900	6·4	39·4
1900–1	6·5	49·0
01–2	6·8	51·4
02–3	7·7	57·4
03–4	7·7	58·2
04–5	6·3	40·4
05–6	6·6	45·8
06–7	6·9	50·3

Remarks :—

Thus, both the acreage and the yield for 1906–7 were considerably below those of 1898–9.

	Acreage	Yield in million cwts.
1898-9	7,166,000	54·946
1906-7	6,934,900	50·395

Decrease—231,100 acres—4·551 mill. cwts., and hence the rise in the price of rice, other causes concurring.

THE SEA-BORNE TRADE OF BRITISH INDIA.*

The trade of India divides itself into the two branches of *Foreign and Internal*,—Foreign comprising the two divisions of *Sea-borne* trade and Transfrontier *Land trade*, and Internal, inter-portal or coasting and internal land trade. I propose to take up only the first division of the Foreign trade of the country, viz., sea-borne and I do so (1stly) because it is the most important branch by far, and (2ndly) because it is the only branch of our trade, for which continuous official statistics, going a long way back, are available, for a comparative retrospect. The subject, even so limited, is one of great practical importance and deserves attentive consideration.

It is now, gentlemen, just thirty years since the transfer of the Government of this country from the East India Company to the British Crown. These thirty years have been, under God's blessing, years of profound and unbroken internal peace from one end of the country to the other, and form a most eventful period in our national history. They have witnessed the rapid march of a grand national movement of transition to a superior type and a higher stage of civilization begun in a preceding period, and vast and momentous changes are in progress in both the inner and outer life of the nation, which will ever honorably mark off the India of to-day from the India of many a former age. The whole period in fact has been with us one of stir and active effort, and evidences abound of progress more or less achieved in many a sphere of national activity, and if we have fallen back or stood still at here and there a point, it is only as incidental to the first struggling stages of a difficult transition and a new career. The trade and commerce of the country, under direct and indirect aid from the State, have also felt the impulse, and show a fair participation in the general movement of advance, and the growth of our sea-borne trade is not the least remarkable feature of the period.

The aggregate value of this branch of our trade has increased from 65 crores in 1858-59 to 171 crores in 1887-88. The

* This paper is by Mr. Ganpat Venkatesh Joshi B. A., of the *Elphinstone* High School, Bombay, and was read by him during the course of the last Summer Vacation lectures at Poona (May 1888).—*Editor, Sabha Journal.*

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imports, including merchandise and treasure, show a growth from 34·5 in 1858-59 to 78·8 crores in the official year just closed, and the exports, inclusive of re-exports, from 30½ to 92 crores. The imports have more than doubled, and the exports have more than trebled, and the total volume exhibits an increase on the whole of 250 p. c. These increases indicate a large expansion in the comparatively short space of thirty years of our commercial activity—an expansion which finds its parallel only in that of the United Kingdom. But alongside this trade expansion, there stands, confronting us, the most painful, co-existing fact—indisputable, though often and much disputed —of the growing poverty and decreasing resourcefulness of the masses in the country. The contrast, thus presented to the view, is serious and arrests attention, and the inquiry forces itself upon our minds whether all this growth of our foreign trade is really, what it is confidently asserted by optimists to be, a healthy and normal growth, and not a diseased product of abnormal conditions. It is the object of the present paper to call attention to some of the aspects of this important question by submitting a brief sketch of the existing position of this branch of our trade and a general review of the main lines of its development.

I will begin by presenting, by way of introduction, a brief summary of the sea-borne trade of British India for the last official year ending 31st March 1888, as I gather it from a Government publication entitled "Trade and Navigation Accounts of British India" No. 12, for March 1888 and the 12 months preceding, just out. The total value of merchandise and treasure imported from, and exported to, foreign countries at ports in British India, including Government transactions, in the official year 1887-88 was 170·95 crores—the imports aggregating 78·81 crores and the exports 92·14—marking an advance of over 11 crores on the figures for the preceding year or about 7 p. c. The increase is all the more satisfactory, as "that year's trade was exceptionally large." Government transactions were limited to the imports of stores valued at 2·62 crores, and the export of stores worth ·6 crore and treasure ·9 crore, equal to a total of 2·77 crores out of the year's aggregate of 170·95 crores,—leaving 168 crores clear for private transactions. The imports of the precious metals were somewhat larger than those of the previous year, the net amount being 12·21 crores against 9·33.

GOLD (Impt.)	3·23	SILVER (Impt.)	10·57	Total Gold
(Expt.)	·24	(Expt.)	1·36	and Silver.
Net.	2·99 crores	Net.	9·21 crores	12·20 crores.

The gold import was chiefly from the United Kingdom, China, and Australia; silver from the United Kingdom and China—the United Kingdom sending us no less than 6·80 crores out of the total import of 9¼. The greater part of the silver import must have gone to the mint, to judge from the figures of the previous year, in which, out of a net import of 7·15 crores, the coinage was 4·62 crores; but full information as to this is not yet available.

The excess of exports over imports on the aggregate total of the year was 13·33 crores, less by over 4 crores than that of the preceding year, for which the country had no return in any shape whatever. But this excess does not measure the whole of the years's drain on our resources. The amount of "the Secretary of State's Bill" budgetted for the year, was £ 16,250,000 which, at the year's average rate of exchange,—namely, 1 s. 5 d.—would have been equivalent to 22·7 crores of rupees. The drawings of the Secretary of State, being only £ 14,691,000 or Rs. 20·72 crores, fell short of the budget estimate by full two crores, which sum, therefore, remains as a *deferred* payment still due to the English treasury for the year. The difference between the excess of exports over imports and the actual payment for the Council Bills of the year represents partly the borrowings of the guaranteed Railway Companies and imported amounts of private capital to be sunk in the country. But for these, the excess would have been over 22 crores instead of only 13·33 last year. What are called "Home Charges," are one of the dominant factors in the situation.

The next point to notice is that our commercial transactions spread all over the globe, and we have now more or less trade, not only with the United Kingdom and British possessions, but with more than 25 other countries. The total tonnage of the shipping which entered and cleared with cargoes from, and to, foreign countries last year was as under :—

Total of "*Entered*" and "*Cleared*"=6,398,929 tons : divided into British and British Indian =5,415,000 tons, foreign 857,000, and Native India craft 106,000 and Foreign Native craft 20,563. Thus, of the aggregate tonnage employ-

ed in our sea-borne trade, British tonnage was 84·46 p. c., Foreign shipping showed only 13·3 p. c., while Native India craft, which had been declining for several years past, represented only two per cent. Increase in the number and tonnage of steamers adopting the Suez canal route and increased substitution of steamers for sailing vessels were also among the features of the "shipping" movement of last year. The increase of *British India* shipping, as distinguished from *British* shipping, from 177,566 tons to 220,227 tons or over 25 p. c. in the year just closed, is worthy of notice as marking the beginning of an Indian mercantile marine, which is being created by British enterprise.

Next as to the distribution of our trade according to countries roughly calculated, it is as follows :—Our total trade with the United Kingdom amounted to 95 crores in value out of a total of 171 crores for the year, the share of the British possessions and Foreign countries being represented by the remaining 75 crores ; or, in other words, 56 p. c. of our sea-borne trade was with the United Kingdom, and 44 p. c. only with other countries. These proportions, read in conjunction with those of the *shipping* of the year, show how our whole sea-borne trade is under direct British control exercised from the United Kingdom as the chief centre of distribution and exchange. The imports from the United Kingdom amounted to 58 crores, including treasure, while the exports to it were only 37, leaving a total debt of 21 crores as due from India. But, on the other hand, our exports to other countries were 55 crores against 20 crores of imports, showing as a debt due to us from these countries no less a sum than 35 crores. Thus stands what is called the "balance of trade" on our last year's transactions ; and it is most interesting to note how it is finally adjusted as that in the United Kingdom. We did not pay our trade debt to the United Kingdom direct but made a part payment for that and other liabilities *through other countries*. To these we exported 35 crores more than the total value we got from them, and they, in their turn, paid for their trade debt to us with their excess exports to the United Kingdom, where they were received partly in correctment of our trade debt, and partly to meet the Home charges of the year. Thus, these our 35 crores worth of excess exports to the other countries eventually reached the United Kingdom, swollen by profits on each intermediate transaction, and were retained there, first to adjust our trade debt to that country of 21 crores, and secondly to meet the disbursements in England of the Government of India to the

extent of 14 crores. The *excess imports* from the United Kingdom which, including about 8 crores of the precious metals, amounted to 21 crores, and our *excess exports* to the other countries of 35 crores in value, leaving a clear balance of 14 crores in our favour for which, however, we got absolutely nothing;—these were the two chief noticeable features of our last year's trade.

Passing next to the examination of imported and exported merchandise, excluding Government transactions, we have to record as usual the fact of the bulk of our imports consisting of manufactured articles and of the exports being in the main articles of food and raw materials of manufacture. Of the total imports of the year, valued at 62·38 crores, *yarns* and *textile fabrics*, *apparel* and other manufactured articles show a net value of 37·40 crores, or much more than one-half. Metals and metal manufactures, including machinery and mill work, railway plant and rolling stock, account for 10·78 crores; the other articles are for the remaining 15 crores. Of these last it is noticeable that "*oils*" (Kerosine and other kinds) come in for no less a share than 1·48 crores, the United States sending us 93 lakhs worth of Kerosine, and Russia in Asia 22 lakhs. *Articles of food* and *drink* received last year were of the value of 7½ crores, of which *wines* and *liquors* show a total of 1·48 crores, *spices* 93 lakhs, sugar *refined* 2·08, *salt* and *salted fish* 84 lakhs. It is painful to notice this last item of imports, when we can have plenty of salt and fish on our vast sea board. The import of salt was 423,897 tons or roughly 11½ lakhs maunds *i. e. one-third* and more of the total annual consumption of the country. Most of it for the present comes all the way from Cheshire across 8,000 miles of sea. The salt works of one Italian Company at Aden under a Government concession are rapidly expanding, and a large growth of this import from that port may be looked for in near future. It must surely be a matter for deep regret to observe, how this industry, once so flourishing in this country, is fast slipping away through our fingers. Of *metals* and *metal manufacture*, *hardware* and *cutlery* imported was valued at over a crore, all coming from the United Kingdom; *brass* 4 lakhs, *lead* 10 lakhs, *steel* 10 lakhs, *copper* 2 crores, and *iron* 2½ crores, the total for *metals* being 5·31 crores. Machinery and Mill works 1·80 crores, and Railway plant and rolling stock (exclusive of Government stock) 2½ crores, were also among the imports under this head. Under the head of raw materials, we have *coal* valued at 1½ crores and several small items among which may be

mentioned *ivory* 26 lakhs, jewellery 15 lakhs, &c. *Silk* imported from China and the Straits Settlements 1·10 crores is also an imported article in this class. But the most important heading on this *import* side is that of manufactured articles (cotton, silk and woollen). Under *cotton*, twist and yarn were of the value of 3·58 crores, showing an increase of 27 lakhs over the imports of the previous year, but *piece goods* in all the three varieties of grey, white and coloured, printed and dyed, show a decrease of 2·05 crores in the past year, being 23·30 crores against 25·35 of the previous year—a fact which must give renewed hope to the mill-owners of Bombay. Let us still remember that the total of cotton goods, including *twist* and *yarn*, was still 27·5 crores, larger by 3 crores over that of 1885-86, though smaller by two crores over that of 1886-87. Silk manufactures next claim our notice, showing a total value of 1·74 crores, 71 lakhs from the United Kingdom, 47 lakhs from China, mixed silk from France 17 lakhs. The value of woollen manufactures imported was 1·71, shawls coming from the United Kingdom, valued at 10 lakhs. Among other imports may be mentioned the following:

Paper and paste board	41 lakhs.
Clocks and watches	11 ,,
Leather Boots and Shoes... ...	13 ,,
Umbrellas	37 ,,
Paints and colours	20 ,,
Soap	9 ,,
Mats	1·30

Turning to the export side of our trade, we see that articles of food and drink, raw materials and dyeing and tanning materials, between them, account for 74 crores out of our total exports of 86 crores of Indian produce and manufacture. Under *food* and *drink* we have a total of 23·82 crores against 25·87 of the previous year,—a decrease of 2 crores; *rice*, 9·22 against 8·76—showing an increase of 46 lakhs on the total; *wheat*, a large decrease of over 3 crores—being 5·56 last year against 8·62 of the previous; the exports to England falling off by 1·30 lakhs, and to Italy by 80 lakhs, Belgium by 70 lakhs,—a serious feature of this branch of our export trade last year; *tea* 5·17 crores, *coffee* 1·50 crores, spices 5·2 lakhs, *sugar* 41 lakhs. The total decrease under this head is 2 crores, which is, however, more than made up under the next head of raw materials. Here we have to note,

Raw cotton	14·41 crores	against	13·46	an increase of a crore
Hides and Skins	2·02 „	„	2·49	a decrease of 47 lakhs,
Jute	6·03 „	„	4·86	an increase of 1·17 crore
Seeds... ...	9·38 „	„	9·19 „	of 19 lakhs.
Wool... ...	97 lakhs.			
Silk	44 „			

The total is 35·59 crores against 33·36 of 1886-87.

The next heading is dyeing and tanning materials of Narcotics &c., with a total of 15 crores, of which *opium* exported to China and Straits Settlements amounted to 10 crores, showing a fall-off of one crore, *indigo* valued at 3·89, half to the United Kingdom and half to other countries.

Lastly, we come to what will be admitted on all hands to be a most interesting and encouraging feature of our export trade. I refer to the export of *manufactured* and party *manufactured articles.* Cotton *twist* and *yarn* and *piece goods* exhibit a most satisfactory increase of full one crore, having advanced from 4·28 to 5·22 crores in the past year. Our cotton exports to China increased by 60 lakhs from 2·85 to 3·26, to Japan by 30 lakhs from 35 lakhs to 67 lakhs. The total increase under this head of export in the last 3 years was 1·50 crore from 3·63 to 5·27 or full 40 p. c. jute, wool, and silk also show small increases. Altogether, the ground we are slowly but surely gaining in this respect is matter for congratulation, but nothing can reconcile us to a serious falling-off in our exports of wheat which is a marked feature of this year's export trade.

I will not weary you, further, with any more details, but I trust the foregoing brief summary for the last year will suffice to indicate the broad features of our present position in respect of this branch of our trade (sea-borne) to which I will now request your particular attention. Briefly these features *are* :—

(1) That our commercial transactions now extend all over the globe ;

(2) That our trade is expanding with a rapidity almost marvellous ;

(3) That the whole movement of our world-wide trade is under British control ;

(4) That the excess of exports over imports is an established feature of our trade, due to the intervention of Government

on the one hand and to the transactions of the British investors on the other who have sunk their capital in this country. The depreciation of silver is giving a serious character to this factor.

(5) That our exports consist almost wholly of agriculture —food grains and raw materials, while our imports are wholly manufactured articles. The growing export of cotton and jute manufactures from the country is a feature of recent development and marks the beginning of an important change in our trade position.

(6) And lastly, we have a regular import from year to year of the precious metals.

These features, taken together, constitute the peculiarity of our trade position and in order to a proper appreciation of their total economical effect I would ask you to accompany me in a brief examination of them. First, the geographical extension of our trading operations is a matter for just satisfaction. The growth of our trade with the United Kingdom and other countries during the last 30 years may be gathered from the following figures for each of the decennial years :—

Year.	United Kingdom.	Other Countries.	TOTAL.
1856–7	31·9 crores.	23·2 crores.	55·1
1866–7	48·9 ,,	38·5 ,,	87·4
1876–7	68·6 ,,	45·2 ,,	113·8
1886–7	87· ,,	72· ,,	159·
1887–8	95·5	75·5	171·

Thus our trade with England is more than one half of our whole trade and has nearly trebled. Our dealings with other countries also show a corresponding expansion, the value of our trade with them having advanced from 23 crores to 72 or 75·5 last year, which is far more than the whole of our trade with the world 30 years ago. China is by far our largest customer, but the development of our trade with France, Italy, Belgium and other European countries is most gratifying. In 1886–8

the value of our trade with France was 8 crores, with Italy 5, Belgium nearly 4, with Austria 3½, with Germany close on a crore, giving a total between them of 21½ crores—the whole of our trade with the world in 1880. Australia too promises a good market, with which our dealings amount to between 2 and 3 crores. Australia and Persia between them show 4 crores. Zanzibar comes in for more than a crore. The United States have a total of 5 crores. Even Russia appears in the list with 38 lakhs worth of imports and exports.

What influence this growing *direct* commercial contact with so many nations of the world so widely separated from us by differences of civilization, of race and creed in this peaceful field of industrial rivalry is destined to exercise over the character, activities and fortunes of this nation, I will not stop to enquire, but I look upon it as a factor in our position of the very first importance. Speaking from a trading point of view, we have in this world-wide contact an extensive access to the markets of the world,—an access the value of which is enhanced by the advantages of our geographical situation. On our right, we have open to our commerce and enterprise the whole continent of Australia with its growing population of English blood, while on our left, there is the whole of E. Africa which we may claim as our own, almost by hereditary right, with which we have had commercial dealings from time out of mind, and which, now, under European influence and European hold promises to develope into a first-class market. Before us on our own continent, we have the important States of Central Asia where our commercial expansion is almost assured in spite of the widening cordon of Russian protectionist tariffs, while China and Japan offer to us markets second to none in the world. But, above all, thanks to French enterprise, the Suez Canal has placed us in close relations with the nations of Europe and America, some of whom are already our large customers, and from whom we have so much to learn and so much to gain. This extensive touch with the world's markets is to my mind one of the strongest points in our position as a trading ...tion. But it is painful to observe that we, the natives of the

country, take little or no *direct* share (excepting the limited dealings of our Banias, Khojas and Parsees with Zanzibar, Australia and China) in maintaining or extending our country's commercial intercourse with the nations of the world. The work has hitherto been done *for us* by our British fellow-subjects to whose energy and enterprise we owe so much in other directions. To *them* belongs, therefore, the honour of establishing such an extended intercourse between India and other countries, but with honour, let us remember, go also the profits accruing therefrom to those who bear the heat and burden of the day. We cannot, of course, be sufficiently grateful to our British brethren for having given us such a large and firm footing in the world's markets, but now it is clearly our duty to maintain and improve it. It is neither just nor economically profitable that we should for ever content ourselves with getting thing done for us by others. The economic loss alone, resu from our inaction in this respect, is immense, annually amounting to about 26 crores a year, and it behoves us seriously to consider whether we cannot take our proper share in the burdens and with it in the profits of this work. It is not for me to suggest where lies the cause of this inaction. But if it lies in those restrictions of caste, which seem to have been adopted at a time of grave crisis in our national history, and for a far different purpose as a safe-guard against the imminent peril of national dispersion which was one of the greatest perils of the age which threatened the very existence of nations, and if we are in consequence prevented from freely moving abroad across the Attuck and across the seas, as travellers, explorers, merchants, bankers, commercial agents, &c. then I will only say at the Indian economist is bound to join his voice to that of Indian social reformer in demanding their removal as no compatible with the progress of the times.

nensurate with this geographical extension of our ons has been also the growth of the total volume trade during the last 30 years. As already bits an increase of 250 p. c. The figures for years are as follows :—

Years.	Imports.	Exports.	Total.	Remarks.
1857–8	31	28	59 crores.	Last year's total 171 crores.
1861–2	37	37	74 ,,	
1867–8	47	52	99 ,,	
1871–2	43	64	107 ,,	
1876–7	48	65	113 ,,	
1881–82	60	83	143 ,,	
886–87	72	90	162 ,,	

What has led to such a wonderful increase? At the outset let me refer to a widely prevalent belief, shared in even by Mr. Gibbs, Governor of the Bank of England, that the fall of silver has in latter years tended much to stimulate Indian trade. It is argued that the Indian exporter gets a larger number of rupees in exchange for the sterling (or gold) price of his merchandise, which enables him to sell more cheaply in the consuming market and at the same time to give a better price to the Indian cultivator, and that trade and production are thus both promoted in India. But Mr. O'Conor, Assistant Secretary to the Government of India in the Department of Finance and Commerce, in his note on Indian trade and exchange published in 1886 enters into an elaborate statistical examination of this question and comes to the conclusion that the view that a low rate of exchange has stimulated trade is not "in accordance with the fact," that there is no such stimulus to our trade as is alleged, that "India does not receive a larger return, for prices have in the English market in a greater ratio than exchange, while the prices in Calcutta and Bombay of [illegible] anything, have fallen and not risen; and he puts the case succinctly thus:—

Price in India, (say) 10 per cent less.
Price in London (say) 30 per cent less.
Loss by fall of price 20 per cent.
Gain by exchange 20 per cent.

"The merchant, therefore, practically stands where he did, the cultivator being apparently slightly worse off."—(page 6 of the note.) The following few figures taken from Mr. O'Conor's note will not be uninteresting as giving a comparative view of average prices in Calcutta and London of *Wheat* and *Cotton*:—

Year.	Wheat.		Cotton.		Silver.
	Calcutta.	London.	Calcutta.	London.	
	per maund.	per quarter.	per Khandy.	per lb.	
	Rs. A. P.	s. d.	Rs. A. P.	d.	per oz.
Average of 1870	3 4 6	46 10	284 14 0	$9\frac{15}{16}$	50·56
,, 1875	2 11 9	45 2	174 3 0	$7\frac{8}{8}$	45·87
,, 1880	3 3 1	44 4	203 0 1	$6\frac{15}{16}$	42·25
,, 1885	2 6 10	32 $0\frac{1}{2}$	194 14 5	$5\frac{2}{3}$	48·52
Decrease per cent in prices in 1885 as compared with those in 1870.	—26·03	—31·67	—31·59	—42·98	—19·71

For the causes of the increase in our trade during last 30 years, then, we must look elsewhere, low Exchange not being [illegible]rly one of them.

Among these causes may be mentioned the following:—

1) Improvements in machinery and improved methods of a[illegible]ation of steam to machinery tending to economy of time and l[illegible] and thereby lowering the cost of production, as lately pointed [illegible] Sir A. Playfair in an English periodical.

(2) The opening of the Suez Canal for traffic in 1869. The canal has reduced the length of the voyage from London to Calcutta by about 36 days. The route round the Cape was more than 11,000 miles, through the Canal it is less than 8,000 miles (*vide* Dr. Hunter's Gazetteer).

(3) Increasing substitution of steamships for sailing vessels.

(4) Large reduction in rates of ocean transit. Rates of freight of rice and wheat from Calcutta to London by steamer *via* canal, Mr. O'Conor states in his Note, have fallen since 1870 from £ 2–15 to £ 1–7 a fall of 52 p. c.

Besides some of these general causes there :

On our side : (1) Among the causes of this trade increase may be noticed the establishment of freedom of trade, internal and external. Internal duties were abolished in Bengal in 1836, in Bombay in 1838, and in Madras in 1834. Interportal duties were done away with in 1848. The reform of our customs tariff with a view to freedom of trade commenced in 1860. In 1864 the duties were reduced from 10 to 7½ p. c. Further reforms in 1867 followed, when 40 articles were relieved from import duties, and 88 from export duty. In 1875 the import duties were reduced from 7½ to 5 p. c. and at the same time all exports (including wheat and oil seeds) excepting only rice, indigo, and lac were placed on the *free* list. The cotton import duties were swept away partly in 1878 and partly in 1882, in which last year metals also were relieved and all other imports except arms, liquors, wines, opium and salt. In this year indigo was also freed from duty. Thus, now, all *imports* with the exception of arms, ammunitions, liquors, opium and salt are free, and all *exports* are free except rice, which pays duty at 3 annas per maund. Now whatever ground there may for difference of opinion in regard to these free trade items, as financial—measures, speaking from the point of view of trade, —I think the figures bear out the conclusion that they have not been without their intended effect on the volume of imports and exports. Even on the vexed question of the export duties,

the following figures supply decisive testimony as to the steady increase in the imports of cotton goods, due in some measure to the tariff reforms :—

Imports of cotton piece-goods since 1876-77 :—

Years.	Yards in millions.	Value in crores.
1876-7	1,186·2	15·72
77-8	1,358·7	16·95
78-9	1,127·5	13·79
79-80	1,333·5	16·57
80-81	1,773·9	22·38
81-82	1,623·1	20·42
82-83	1,640·5	20·95
83-84	1,721·8	22·16
84-85	1,731·5	20·69
85-86	1,740·8	20·59
86-87	2,155·4	25·35
87-88	1,889·7	23·32

The smaller import of last year of those piece-goods was due to the excessive imports of the previous years, and such a check to the import was indeed anticipated by Mr. O'Conor in his trade-review for 1886-87. The check, therefore, is only temporary as in 1881-82, but the increase in these 12 years from 1186·2 millions yards to 1889·7 millions yards in *quantity*, *i. e.* over 60 p. c., and from 15·72 crores to 23·32 in *value* or over 50 p. c., is a significant fact, and however due to other causes, part must be assigned to the removal of the cotton duties.

(2) Another cause of the increasing trade is to be found in the progress of Railway construction in this country. The following figures exhibit this progress.

The number of miles open for Traffic in	1857	was	288
,,	1867	,,	4,047
,,	1877	,,	7,509
,,	1886-87	,,	13,138

Assuming with Mr. O'Conor (*vide* his Note) that a railway brings within reach of a port only ten miles of country on each side of the line, there were in 1886-87 133,850 sqr. miles of country brought within reach of a market.

(3) Reductions in charges of transport by rail effected during the last eight years in India have also contributed to the increase of our trade. This last measure suggests an interesting question. The goods rates on our Indian lines are much too low, in fact lower than even in England and several continental countries. In the Administration Report of Railways in India for 1885-86 I find a comparative table of the rates of some of the important staples of goods traffic on the Indian and European lines—the rate of exchange taken being 1 s. 6 d.=one rupee. The staples taken are again, sugar, cotton goods, coal, iron bar. I will here quote only the figures for *cotton goods*.

Manchester to Liverpool (distance=31 miles) for exports 6 s. 10 d. per ton.

So the Manchester-to-Liverpool rate per mile per ton is ...	...	...	...	d. 2·64
For the same distance, the German Railway Tariff would be ...	...	...	...	2·06
,, ,, ,,	Belgium	...	...	2·22
,, ,, ,,	Dutch	...	...	1·61
,, ,, ,,	Indian	...	...	1·28

Thus the Indian rate is less than half the English rate per ton per mile for cotton goods and is lower than the Dutch or German rate. Now, while these goods traffic rates on our line are so low, the fact has to be borne in mind that the earnings of these Railways fall short more or less from year to year of their working charges and interest payments, and that a sum varying from a million to two has annually to be paid out of the Indian Exchequer in aid of Railway finance to cover

deficit. The net loss to the state on account of these Railways (since 1858-59) has been no less than 35 crores a year (*vide* Railway Administration Report for 1886-87, page 91). It seems to me allowable to argue that, as it is these low rates on our lines that necessitate these annual payments from the treasury to restore the balance of Railway finance; these payments, on account of the low traffic rates, maintained for promotion of the country's trade, do really operate as a *bounty* on that trade paid by the State. It may be interesting to the Indian economist to consider, how far such an indirect *bounty* on the foreign trade of the country is in agreement with the canons of Free Trade Political Economy, and whether the bounty, which is no less than from a million to two a year in its actual operative effect upon the volume of trade, is worth paying, and if so, how long. But apart from this question, it is undeniable that these low traffic rates on our lines have done not a little during the last 8 years for the augmentation of our trade—notably the *wheat* trade. Whatever may be said on this or that question in relation to some of these causes of trade expansion mentioned above, we have to note the fact that their total effect has been an enormous increase during the last 30 years in the volume of our sea-borne trade to no less an extent than 250 p. c. from 65 crores to 171·5 crores; and we have next to consider, what has been the gain to the country consequent on this increase. This brings us to a consideration of the other features of our position in regard to this branch of the trade.

In the first place, we have to remark that the whole movement of our commerce from its home of production to the consuming market is almost entirely under the control of British and foreign merchants. Our Railways are not all our property, nor is the shipping, employed in our sea-borne trade, our own. But what is more, nearly the entire business of import and export is done *for us* by others, and little or none by ourselves. The Railways call for no remark. As regards *shipping*, the figures for last year, as already given, are:—total tonnage of vessels entered and cleared=6·4 million tons, of which British and British India was 5·4 million tons, the share of foreign countries 857,000 tons, that of foreign craft 2,000 tons. Our Native Indian craft came in only for 106,000 tons. The proportions, therefore, stand thus:—

British and British India 84·46 p. c., Foreign 13·3 p. c., our native craft less than 2 p. c. The decline in Native India

craft in recent years is noticeable. The figures are a under :—

1880–81 3 p.c.	It has fallen from a tonnage of 210,704
81–82 2·45	to 106,000 tons, in the last 9 years. Mr.
82–83 2·48	O'Conor remarks in his annual trade-review
83–84 2·37	(page 12) for 1879–80 :—"Between Zanzi-
84–85 2·19	bar and Bombay there is a regular important
85–86 2·03	trade carried on still (*i. e.* 1879–80) most
86–87 2 28	largely by Native craft (dhows and buggalows)
87–88 1·96	owned and manned by Natives and making

their voyages in the fine season. Within the last year or so, the British India Steam Navigation Company have started a line of steamers for this trade, and it is likely that in a few years the Native vessels will be susperseded as they have been on the Burman coast by steamers." The decline in our Native craft thus anticipated by the Government Reviewer has been proceeding apace. One half of it is gone already (say 100,000 tons), and the remaining half may disappear in a few years. It cannot, of course, be expected to hold its own before the progress of steam and science. The augmentation in the volume and value of our sea-borne trade by over 250 p. c. in the last 30 years, contrasts strongly and sadly with this fact of decay and near collapse of our Native shipping. Every other progressive nation in the world has, or is having, a commercial marine of its own. The shipping industry of England is, of course, of world-wide and ancient renown, and the gross yearly receipts of the trade have been estimated by the Chamber of Shipping of the United Kingdom at 45·50 millions. But other nations, also, show considerable progress in this respect. Italy has a commercial marine of 7,287 vessels (steam and sailing) of 9,71,000 tons; the mercantile navy of Germany consists of 4,257 vessels of 12,94,000 tons. France owns a mercantile navy of 15,352 with a tonnage of 10,00,000 tons. Even Austria-Hungary, which commands the shortest coast line in Europe, shows a commercial marine of 9,206 vessels; the Austro-Hungarian (Lloyds) S. N. Company, established in 1833 owns a line of 84 vessels and absorbs the greater part of the Eastern trade of that Empire through the Suez canal and receives a subsidy from the State of no less than £1,73,000 per annum (=25 lakhs of rupees at the current rate of exchange).

While, thus, other nations are moving on, we are falling back, and certainly after half a century and more of British peace and British rule and what is more important, of the

example of British enterprise before our eyes, it does no credit to our energy or patriotism that we should not have even now a single steamship of our own or a single strong line of sailing vessels. A steamship of a tonnage capacity of 4,000 does not cost more than 10 to 15 lakhs of rupees (or £100,000) and a line of such steamers, say 20 strong, will not require a capital outlay of more than 2 to 2½ crores. The establishment of such a line of steamers of our own will not fail to make a sensible diversion of this carrying business in our favour, and will mark the beginning of an important native industry. But will some millionaire be induced to lend the requisite capital for a good start, and will some Association of native merchants bring the requisite enterprise to the task? I leave these questions to you to answer, and pass on. As things are, the whole shipping engaged in our sea-borne trade being British and Foreign, the profits of it go to others and do not fall to the natives of the country. I have not been able to get sufficient data for any accurate calculation of these profits, but, I think, it would not be far wrong to estimate them at 6 or 7 millions per year. These, for the most part, leave the country, and our national share in this business is represented only by the miserable freightage earned by the Native craft, which at the most cannot be more than a few lakhs.

(Next as to the importing and exporting business,) information would be most useful and interesting, but I have had no access to any such, and what I am going to say on this point is by way of approximate conjecture and subject to correction. The dealings of our Bania, Khoja and Parsee merchants with Zanzibar, Ceylon and China represent, I think, the whole of our direct transactions with other countries, and they form but an insignificant fraction of the whole trade, probably not more than 10 p. c., leaving 90 p. c. as the share of British and foreign merchants. The usual profits of trade are estimated at 10 to 15 p. c. on the total value, and on this basis, the respective shares in the trade profits on a total volume of 171 crores would seem to be one million for Native merchants and 16 millions for British and foreign merchants per annum.

Thus, then, we may assume that here, too, profits amounting to 16 crores or so a year fall to others and eventually leave the country, our share being hardly a million. In this matter of the importing and exporting business, as in that of shipping, I am at a loss to understand what it is that is keeping us back from taking up what is properly *our own* work. Surely we are bound to get the things that we want from the foreign producer, and send him what we have to send in exchange with our own direct agency without having recourse to any wasteful intermediary channel of distribution, such as a foreign agency must necessarily be. There are no insurmountable difficulties in the way, and it seems to be no difficult matter to set up a few importing and exporting firms of our own at central points along the main arteries of our communication with the United Kingdom and other countries. Wherever we should like to settle and open business, there, I think, we shall be entitled to claim from Her Majesty's Consular and Diplomatic services the same support and assistance that is accorded to other subjects of Her Majesty, and the English Foreign Office takes no narrow views of its duty in this respect. Only two years ago, Lord Rosebery, then Foreign Secretary, addressed a circular letter to various Chambers of Commerce in the United Kingdom and British possessions and among others to our own Indian Chambers of Commerce, inviting suggestions as to in what way better assistance and support could be given by Her Majesty's Diplomatic and Consular representatives abroad to British trade (*vide* Report of the Bombay Chamber of Commerce 1886). Besides, the enormous concentration of business in Bombay and Calcutta, which two ports on our coast between them absorb nearly 90 p. c. of our total sea-borne trade, offers peculiar facilities for the establishment of *central* importing and exporting agencies at these radiating centres of trade distribution with corresponding branch agencies on the main lines of communication (say at Cairo, Malta, Paris, London, Hong-Kong, Melbourne, New York). No technical training is here required, and no large amount of capital in hand. Associative effort and enterprise, working under a proper system

of credit, seem to be the first requisites for a fair start in this direction. But this is a question of business which I must leave to business-men, and I proceed to take note only of the fact that as things stand at present, we let enormous profits (over 16 crores per annum) go elsewhere through mere inaction on our part. Be it further remembered that our loss in this respect is put down rather too low, for if we examine the course of our trade over a series of years, we find that while our imports from the United Kingdom and other countries come to us *direct*, our exports go to England for the major part through one or more *intermediary* countries. This point has already been touched upon in the introductory summary of last year's trade and the following additional figures will be interesting :—

Millions (£ 1=10 rupees).

Year	Import from United Kingdom.	Exports to United Kingdom.	Excess of Imports over Exports.	Imports from other countries.	Exports to other countries.	Excess of Exports over imports.
	£*	£	£	£	£	£
1859-60	31·9	11·2	20·7	8·7	17·6	8·9
1869-70	30·35	27·5	2·8	16·4	26·0	9·6
1879-80	38·4	27·7	10·7	1·44	41·5	27·1
1882-83	48·1	35·5	12·6	17·4	49·0	31·6
1887-88	58·0	37·0	21·0	20·0	55·0	35·0

The table shows that we always get an excess of imports over exports, from the United Kingdom, for which excess and other liabilities we pay by our excess exports, not to the United Kingdom direct, but *through other countries*. The profits of our exporting trade, therefore, are considerably larger than those of our importing trade, inasmuch as the exports reach

* The figures represent millions.

their ultimate destination after 2 or 3 or even more intermediate transactions in transit. On the whole it is safe to assume that our loss in this direction is considerably over 16 millions a year (say 20 millions). But, next, there is a further source of commercial loss to this country in the necessities of its political and economic connection with England. This commercial loss is only partly represented by the preponderance of exports over imports from year to year. If we go back over the last 54 years, we meet with this feature recurring in our trade statistics almost with the persistent regularity of a natural phenomenon. The following table will be interesting :—

Years.	Excess of Exports over Imports Mill. £.	Excess of Imports over Exports Mill. £.	Average per year of such excess Exp = + Imp. = —	Remarks.
1835–39	19·8	.....	+3·96	=89·5 millions in these 22 years from 1835 to 1855 or 4·1 millions a year of *excess-exports*.
1840–44	18·8	.....	+3·76	
1845–49	23·3	.....	+4·66	
1850–54	20·8	.....	+4·16	
1855–56	6·8	.....	+3·4	
1857–62	.....	21	—3·5	This was an exceptional *excess Import*, due to Government borrowings in England during the *mutiny* period.
1863–67	55·1	.....	+11·0	=253·6 millions in these 20 years from 1863 to 1882 or 12·6 millions worth of *excess-exports* a year.
1868–72	44·6	.....	+ 8·92	
1873–77	73·3	.....	+14 66	
1878–82	80·6	.....	+16·22	

Years.	Excess of Exports over Imports Mill. £.	Excess of Imports over Exports Mill £.	Average per year of such excess Exp = + Imp. = —	Remarks.
1883-8	86·7	.....	+14·45	The average, rising during these six years from 12·6 to 14·45 millions per year.

		Excess Exports in millions £.	Excess Imports in millions £.
Summary.....	1835-56 (=22 years)...	89·5	.....
	1857-62 (= 6 years)...	.....	21
	1863-82 (=20 years)...	253·6	.....
	1883-88 (= 6 years)...	86·7	.....
	Total ...	£ 429·8	21

Net Excess Export = 408·8 millions in 54 years from 1834-5 to 1887-8.

It will be thus seen that during this period of 54 years we did not get any return for our excess-exports which amounted to £ 408·8 millions.

On the other hand, we have the following figures for *Home Charges* in the same period :—

In the first 27 years from 1834-61, they amounted to 58 millions or at the average rate of a little over 2 crores per year. Since 1862, Council Bills actually drawn have been as under :—

Period of years.		Total amount Mill. £.	Annual average Mill. £.	
5 years	1862—66	30	6	The total since 1835 is 393·4 millions. The steady increase in each quinquennial period is noticeable. The charges were 22·2 crores for last year.
5 ,,	1867—71	30	6	
5 ,,	1872—76	65	13	
5 ,,	1877—81	80	16	
5 ,,	1882—86	93	18½	
2 ,,	1886—88	37·4	18·7	

. Comparing these amounts for Home Charges with those for Excess Exports, we thus find that they very nearly balance each other. Out of our excess exports of 408·8 crores, we have paid 393·4 crores for Home Charges, the balance of 15·4 millions representing private remittances by Government servants and merchants. But it is obvious, that this amount (15·4 millions) gives too small a margin for private remittances during the whole period of 54 years; nor do we find in the amount of excess exports any margin to cover the sterling borrowings in England of the Government of India, which have come to us in the shape of imports. For both these factors, therefore, correction has to be made in the balance of trade sheet, as mathematicians would say. Our sterling debt, at this day, is 150 millions, inclusive of Government Railway debt—but for which borrowings from time to time, our imports would have been smaller, or Council Bill drawings (*i.e.* exports) would have been larger by that amount. In the mutiny period of 6 years, for instance, from 1857 to 1862 we have not only no *excess-exports*, but on the contrary *excess-imports* of about 21 crores, due to this circumstance, namely, Government borrowings. We have, therefore, to correct the excess-exports figures by adding to them the amount of these sterling borrowings of the Indian Government in England. As regards private remittances, the case is not so easy. We have no clue to them in trade returns; but turning to the financial accounts of the Empire we come across a significant item in the amount of Indian (*i.e.* rupee) borrowings of the Government of India. Excluding Savings Banks' receipts, the Rupee debt stands at present at 101 millions. Now, whence all this money? Mr. Westland, our present Acting Finance Minister, than whom we have no higher authority on this question, states that of the total amount of this Rupee debt, securities to the extent of about 20 crores only are held by Natives, while the remainder is all held in England. Looking at the matter in the light of this statement, it seems that the 81 millions of our rupee debt held in England consist in whole or in part of private remittances of English officials and merchants, which have been intercepted and sunk in this country, possibly supplemented by fresh drafts of capital from England. Further, it appears from a Government return, recently published, that the paid-up capital of the Joint Stock Companies, working in this country, is over 29 crores. Deducting, say, 9 millions as the Native share in this class of investment (*e. g.* cotton mills), we have 20 millions left as the amount of English n-

vestments in the country in various industries such as *tea*, *jute*, *indigo* &c. Whether this amount may have come from England, or whether it represents earnings and profits—not remitted home—of English merchants and officials, the result is the same. The total of private remittances to England and of investments of unremitted monies in this country may be thus estimated:—

Mill. £.	
15·4	Actual remittances, as shown by the difference between the amount of excess-exports and Home Charges for the 54 years from 1834–88.
81	Rupee investment held in England.
20	Private investment by Europeans in Joint-stock concerns in India.
116·4	Total in 54 years, giving an average of over 2 crores per year.

In this total we have our second correction on account of private remittances to England.

Thus corrected for Government sterling borrowings on the one hand, and for these private remittances and investments on the other, the total amount of drain from this country during the last 54 years without any commercial return whatever, represented in part only by *excess exports*, may be thus set forth:—

Home Charges	393·4	
Sterling debt	150	including Govt. Rail. Debt.
Rupee debt	81	
Private investments	20	
Actual remittances	15·4	
Total...	659·8 millions or, say, 660 millions in round numbers.	

Of this amount we have already paid 408·8 out of our excess exports, and the remaining 251 millions are still due and will have to be paid in the same way. As a set off to this, we have only our Railways and other public works to show.

Six-Hundred and Sixty Crores in 54 years (including payments still due) drained away from the country or to be so, without any *commercial* equivalent whatever, except what we have received in the shape of railway and other building materials—that is certainly a heavy drain for any country to bear, more especially for a country which has just emerged from the stormy and exhausting struggles of two thousand years for an independent national existence into the blissful calm of peace, with its industrial system completely out of joint and out of gear and with its system of credit and trade paralized. As it is, the drain has been steadily increasing, and on Government account alone it stands now at 22·2 crores, to which may be added about 2 or 3 crores on private account, making a total of over 25 crores a year. It is already heavy, but it is becoming terribly heavier on account of falling exchange. We are a silver-using nation with enormous gold liabilities abroad. Every successive fall in the value of silver in relation to gold is adding enormously both to the *capital* amount of our sterling debt in England and to the annually recurring charge for *interest* on that debt which is payable in gold. Our gold debt, which is 150 millions at present, is at the current rate of exchange (1*s.* 5*d.*) equivalent to 210 millions of rupee *i. e.* an addition to its capital amount of 60 millions in *rupee value* on account of exchange, while the interest charge is increased by 40 p. c. On these and other grounds, the efforts of the Bi-Metallists are entitled to our sympathy, however we may be disposed to with-hold our approval. Be that, however, as it may, whether Bi-Metallism or a gold currency for India, as advocated several years ago by Mr. Hynes of H. M.'s Mint in Bombay, will serve to set things straight, the student of trade statistics has to note that a low and lowering rate of exchange, far from having the effect ascribed to it by Mr. Gibbs of the Bank of England, namely of "promoting trade and production in this country," is producing just the opposite effect of seriously adding to a drain on our material resources already so heavy to bear, and thereby leading to increase of taxation to the serious injury of our trade. It is of course true, and the fact is not denied, that from a higher than a *commercial* point of view this "drain" or "economic tribute" of 20 to 25 crores per annum is not a drain at all, but only the *fair money price* the country pays for the many compensatory advantages, higher far than commercial, that it enjoys—advantages which cannot be represented in figures. But as that price has to be paid in the shape of *excess-exports* from year to year, for which no

commercial equivalent ever returns, *commercially* speaking, it has to be put down as a *loss*, whatever else it may be in other respects, and has to be duly taken note of in any balancing of the country's *gain* and *loss* on the general account of its trade. Further, it must be observed that the necessity of making these large annual payments to England in the shape of *excess-exports* tends to give a *compulsory* character to a large portion of our exports, involving derangement of prices and a considerable disturbance to the general course of trade, and further gives fictitious increases in the volume and value of our trade both on the import and the export side.

But all this heavy drain on account of Home Charges and all the other losses on shipping, exporting and importing &c.,—the country could have borne, and without much injury too, if its industrial system, had been placed on a proper footing and in good order. This leads us to the *crux* of the entire question, and brings us to the next feature of our trading position, viz. that our exports consist mainly of food grains and raw materials of manufacture, while our imports are entirely of manufactured articles—a feature which is represented by a loss of no less than 50 to 60 crores from year to year. In a country so extensive as India, blessed with every advantage and requisite for an economic position of self-contained sufficiency, such a feature of foreign trade need not have caused any surprise or anxiety, provided there was active, well-developed internal trade under a well-ordered and well-working industrial organisation. With us, however, unfortunately neither of these conditions is present. It is a most noticeable and significant fact that in spite of our broad and rapid railway extensions, our internal trade, as between Province and Province, is extremely small, rather too small, looking to the varied tastes and requirements of the numerous populations concerned. The Provinces in relation to each other stand in a position of commercial isolation which is painfully striking. It is still true that Bengal has little to send to, or receive from, Bombay, Bombay to and from Madras, and Madras to and from Punjab, while each one of these has enormous quantities to export to, and import from, distant Egypt, England and the United States. But this condition of our inter-provincial trade, as well as the general feature of our foreign trade under review, are the expression of one and the same economic fact, viz. our increasing dependence on a single industry, viz. agriculture. India is often described as essentially an *agricultural* country; agriculture is said to be

the mainstay of our prosperity; extended agriculture is described to be co-extensive and synonymous with advancing prosperity, and a hundred other things of the same sort we hear from day to day; but the cardinal fact is overlooked, that the one-industry system that at present prevails with us is no more essential or natural to this country, even on the inadmissible theory of *innate* national aptitudes, than the many-sided industrial system is to the countries of the West. And as long as there is no change in this state of things with us, the root of our economic difficulties will remain untouched. This point cannot be put in weightier words than those in which the Famine Commission in their report (1878-79) emphasised this feature of our situation as the prime source of our evils. "At the root of much of the poverty of the people of India," they wrote (vol. 2, page 175), "and of the risks to which they are exposed in seasons of security, lies the unfortunate circumstance that agriculture forms almost the sole occupation of the mass of the population, and that no remedy for present evils can be complete, which does not include the introduction of a diversity of occupations through which the surplus population may be drawn from agricultural pursuits and led to earn the means of subsistance in manufactures or some such employments." The figures relating to the classification of the population according to occupation also serve to throw light on our present condition of industries. Of the male population, contained in India, of 130 millions there are returned:

52 Millions or 40 p. c. as engaged in Agriculture.
3¼ ,, ,, 2·5 ,, ,, Commerce.
12½ ,, ,, 9·6 ,, ,, Industrial pursuits.

The rest are Government servants, labourers and unproductive classes.

Thus we find about 16 millions or 12½ p. c. of the male population engaged in commercial and industrial pursuits, while 52 millions or 40 p. c. and more are directly engaged in agriculture, to which may be added a large population of the labouring and unproductive classes, as dependent on land. The Famine Commissioners opine that "it is probable that 90 p. c. of the rural population or rather more than 80 p. c. of the total population is already connected with the land." Another set of facts illustrates the same condition of things. According to the census returns of 1881 regarding rural and urban population, there are about 715,000 towns and villages in India. Of these about 3½ lakhs contain less than 200 inhabitants each,

and 18,000 between 200 and 500. "Of towns properly so called," says Mr. O'Conor, "the number is relatively very small for such a vast area. There were only 63 towns with a population exceeding 50,000; 123 towns with a population from 20,000 to 50,000, and 388 with a population ranging between 10,000 and 20,000." Additional light may be further derived from an analysis of our annual imports on this question as to our growing reliance upon a single industry, namely, agriculture. To take the figures for last year, we have the following:—

	Imports.	
Cotton twist and yarn	= 3·50	Chiefly from the
Piece goods	=24·	United Kingdom.
Total ...	27·50 crores.	

Silk manufactures				
Piece goods—	1·45	= 1·74	From	U. K. ·76
Thread	·01			France ·30
Goods of mixed silk	·28			Others ·68
Woollen manufactures				
Piece goods	1·40	= 1·56	chiefly from the United Kingdom.	
Shawls	·10			
Braids	·06			
Cotton, Silk and Woollen Manufactures.....		31·80* crores.		

To this may be added the following small but striking items of imports.

Agricultural implements	5 lakhs.
Leather, Boots and shoes and other manufactures	27
Hemp Manufactures (cordage, bags, sacks)...	3
Fire works	5
Candles	9
Matches	24
Mats	1⅓
Glass	57
Paper and Paste boards	41
Umbrellas	37
Stationery	21
Soap	9
Total...	2·39 crores.

* There seems to be some discrepancy about this figure.

Add further

Metal Manufactures		
Hardware and cutlery (pots, kettles, and knives)... ...		1·10
Brass wrought		·04
Copper		1·50
Iron wrought, including		
Bar	54	
Angle, rod and bolt...	19	
Sheets &c...	27	
Beams, pillars &c. Girders, Bridge work...	34	2·40
Pipes, tubes	34	
Other varieties... ...	72	
Railway plant and mill work...		4·40
Sugar refined		2·09
Total		11·53 crores.
Grand Total		45·72 crores out of the total of 62.

This enumeration of some of the chief imports will suffice to show, how even in respect of manufactured articles of the commonest use, such as umbrellas, matches, mats, cordage, bags and sacks, leather boots and shoes, paper and paste boards, we allow ourselves to be dependent on foreign supplies, the raw materials for some of which we ourselves furnish in no small quantities. Viewed in another aspect, this list is also interesting as showing how varied and extended this foreign supply of manufactured articles already is. The supply is not now confined to this or that single manufacture—be it cotton, wool or metals—which after all would not have been a very formidable thing, whatever the bulk and value of the import, but it embraces in its sweep a very wide area from mats and matches to mill-work and machinery through a frightfully long stretch of textile fabrics and metal manufactures. Here we have, I think, the worst feature of the situation, inasmuch as it tends

to show how wide and deep is the collapse, that is proceeding, of our urban and rural manufacturing industries all along the line.

It is not easy to calculate the enormous economic losses in wages and profits, which such a dependence of the country on foreign supplies of manufacturers is entailing on our home labourers and manufactures, but some idea may be gathered from the following figures in connection with cotton textile fabrics. In Mr. Cola's work, styled "How to Develope the Industrial Resources of India," I find on page 70 the following figures quoted from Messrs. Ellison and Heywood's circular for 1866—regarding cotton manufactures in Great Britain :—

Total quantity of cotton consumed	890 mill.	lbs.
Wastage in spinning	115 ,,	,,
Yarn produced	775 ,,	,,
Yarn exported	135 ,,	,,
Piece-goods exported	490 ,,	,,
Home consumption	150 ,,	,,
Total ...	775	
Value of yarn exported	13½ mill.	£.
Piece-goods exported	66 ,,	,,
Home consumption	23 ,,	,,
Total value of goods produced	102½ ,,	,,
Cost of cotton consumed *	52 ,,	,,
Wages and other expenses	31 ,,	,,
Total expenditure ...	83 ,,	,,
Balance left for profits	19½ mill.	£.

or 50½ millions available for profits and wages.

The figures for the next 10 years from 1867 to 1876, I find given in the Encyclopœdia as follows :—

* Price of cotton at 14 d. per lb.

Years.	Cotton consumed in Mill. lbs.	Cost. Mill. £.	Total value of goods produced. Mill. £.	Balance for wages and profits. Mill. £.	Average price cotton per lb.
1867	954	41	90	49	12 d.
1868	996	41	91	50	8
1869	939	44	86	42	8
1870	1,071	42	93	51	9
1871	1,205	40	101	61	8
1872	1,175	48	102	54	5
1873	1,246	45	104	59	7
1874	1,256	40	100	60	6
1875	1,230	36	95	59	5
1876	1,274	32	90	58	5

I have not been able to obtain later figures up to date, but I will take the figures for 1876 as the basis on which to calculate our losses in respect of our exports of cotton last year. The English figures for 1876 stand as under—

Cotton consumed...1,274 million lbs.
Cost of raw cotton... 32 millions sterling
Value of cotton goods produced... 90

} Showing a balance of 58 millions sterling available for wages and profits.

Now, last year, our exports of cotton were 5,374,540 cwt. valued at the port of shipment at 14·41 crores. Thus the quantity exported was in lbs.=601·8 million lbs., *i. e.* nearly half the quantity consumed in Great Britain in 1876. So the value of cotton good produced out of the exported quantity of cotton last year would have been 45 millions sterling. Deducting the cost of cotton consumed=14·41 crores, as given in the customs returns, the balance available for wages and profits in the country would have been 30½ crores. From this calculation, gentlemen, it would appear that, in exporting 5⅓ millions

cwt. of cotton last year for manufacture abroad, we have lost 30 crores as the amount of wages and profits which our home labourers and manufactures would have received, had there been a home manufacture of it. Note, further, that this is our loss in respect of this single article of cotton, 30 crores for the year. Besides cotton, we send abroad, from year to year, enormous quantities of other raw materials of manufacture. Last year alone we sent, among other things, the articles noted in the margin* which give a total of 23·75 crores worth of raw materials. Now, if we assume the value of the manufactured article to be about 75 p. c. more than the cost of the raw material, a comparatively low estimate as compared with cotton, in which case the ratio is as 1 to 3, our loss in this enormous export of last year of 24 crores worth of raw material other than cotton would appear to be 18 crores, a sum which, had there been a home manufacture of it, would have been available for wages and profits in this country. Putting cotton and these articles of export together, the total loss might be calculated at 48 crores for the year. On the whole, we might put our losses on this account at a total of 50 crores per year. Fifty millions—this is roughly the measure of our losses, year after year, on account of our trading transactions, due to this feature, namely, that while we export raw materials for manufacture, we import manufactured articles. Fifty crores for the manufacturing and labouring classes of the Empire to lose every year! This is certainly a tremendous loss which is unnecessary and clearly avoidable and which no pains should be spared to avoid. It is the price we are paying for our growing dependence on the single industry of agriculture or, in other words, on account of the absence of manufacturing industries in the country and our increasing reliance on foreign supplies of manufactured articles. The loss is represented by a capitalized amount of 1600 crores at 3 per cent, and suggests one of the strongest arguments in favour of a vigorous national effort to rectify the industrial system of the country by the rehabilitation of manufacturing industries by means of technical education on the one hand, and of State grants-in-aid of home industries on the other.

*

Seeds	9·38 crores.
Dyeing and tanning materials, indigo, &c.	4·69 ,,
Jute raw	6·03 ,,
Wool	·9 ,,
Hides and Skins	2·18 ,,
Silk raw	·34 ,,
Hemp	·12 ,,
Rags and other materials for papers	·04 ,,

If a tithe of this capitalized value of our loss—say 150 millions—were spent in promoting the technical training of our industrial classes and fostering new industries with bounties and subsidies, what a revolution would be effected in a few decades in the industrial system of the country and in the material condition of the people! Would it not be the best national insurance we could have against famine and distress, want and starvation? Already about 160 millions have been expended on our railway extensions, and the demand of the Madras Congress held last December, when translated into practical proposals, seems to me to amount to no more than this—that part at least of like expenditure in future, whether under a State guarantee or direct from the State treasury, should be devoted to the establishment and maintenance of an adequate system of national technical education. Gentlemen, the whole question is one, not so much of Political Economy proper, as of practical politics, *viz.* whether and how far the State, as guardian of the national interests, and with the national resources at its command, can and ought to intervene in matters such as these, and give material aid to national efforts in a field of action which belongs peculiarly to private enterprize. We all know how this question has been solved in France, in Germany, and in other continental European states, and it remains to be seen what course of action eventually recommends itself to the judgment of the Government of this country. But to return from this brief digression :—The loss of 50 millions or so involved in this feature of the trade is thus due to the present derangement and dislocation of our industrial system, agriculture having come to be the one industry of the people. It is unnecessary to point out that such a condition of things, which is one of comparatively recent growth, was not a habitual or a normal condition of things with us at former periods of our history, and even now an important change in this respect has already commenced, to which I shall have to refer at greater length further on,—I mean the cotton industry of Bombay. Time was when this country, far from relying upon this or that single industry, presented a far different picture. Before the beginning of the century we had a co-ordinate system of industries like the nations of the West. We had our mining, our agriculture, our manufacturing trades and commerce. True, owing to the incidents of our political situation, we were enable to keep up much commercial intercourse with other countries, but in respect of what little we had under the auspices of European trading companies, our pre-

eminence in the field of manufactures passed undisputed in the markets of Europe. In fact, the manufacturing interests in Great Britain were in such dread of our competition that they even sought for and obtained legislative protection. Even so late as 1813, when the East India Company's monopoly of the Indian trade was abolished, and "the ports of India," says Mr. Maclean in his guide to Bombay, "were thrown open to English merchant adventures, protection duties of 70 and 80 per cent were imposed in Great Britain on cotton and silk manufactures from India, and some kinds of these goods were absolutely excluded." Till then such was our historic superiority in the field of manufacturing industry that in spite of advancing improvements in machinery in England, after the expiration of Arkwright's Patent about 1787, our exports of silk and cotton grew, and though weighted with protective duties and with the enormous freightage of those days, could hold their own with those of British make in the markets of Great Britain, and "could be sold," says Professor Wilson in his continuation of Mill's History of India, "for a profit in the British market at a price 50 to 60 p. c. lower than those fabricated in England." But a change soon came, and our respective positions were entirely reversed. Applied science made a rapid advance in England, and steam came to be applied to machinery and various processes of manufacture and to locomotion. Here was a momentous revolution in the conditions of the struggle between the two countries. We stood still, while England was active in its efforts to improve its commercial position. Curiously enough at about this time, the E. I. Company with its trading instincts was engaged in various industrial efforts in this country. With the aid of skilled experts brought out from France and Italy and America, it was doing a good deal to establish the silk manufacture and to improve the supply and quality of raw cotton. Gentlemen, it is impossible to avoid the reflection that if the Company's Government, then tolerably secure in its political hold on the country and free to pursue a policy of internal reform, had chosen to do—and it clearly lay in its power to do it—as much towards introducing science and steam into this country, the conditions of the competition would have been equalized, and in all probability India at this day (so the fond imagination of the Indian student would seem to suggest) would have been where England is now, in the most commanding position, still under English direction, in the commercial race of the world. But this was not to be! Nothing was

then done, as little or nothing has since been done, to put the Indian manufacturer on a footing of equality with his foreign competitors by bringing to his aid the science and machinery of the West; and a contest commenced between the manufacturing industries of England, aided by steam and directed by science, and those of this country, resting still on the basis of rude process of old and guided by hereditary skill and the artistic sense of her people. From the beginning, the contest was an unequal one of which the issue could not have been doubtful. Our mining industry ceased, and the supplantir of our Indian manufactures in their native home by foreign imports at once commenced, and has since progressed with painful rapidity with the extension of commercial intercourse between the two countries. Every thing from inventions and improvements in machinery and construction of steam-ships and railways in England to our own Free Trade measure and Railway extension—every thing that has tended to increase the trade between England and India and cheapen the price of imported articles in the Indian market has served only to accelerate the progress of decline and decay of our home manufactures. It is beside the scope of the present paper to follow up, stage by stage, the history of the displacement in our own markets of our manufactures, but a few figures will suffice to mark the progress of this collapse. The following table shows the increase of manufactured imports from the United Kingdom since 1853-54 for the quinquennial years:—

Year.	Cotton goods yarn & twist.	Apparel, Silk and woollen Manufactures.	Metals or meta Manufactures.	Hardware and cutlery.	
1854	5·5	·4	·6	,,	Thus in the course of 34 years the import of Cotton goods has increased in value from 5½ to 28·8 crores or more than 5 *times*; that of Woollen and Silk manufactures and apparel shows a growth from ·4 to 2·5 or 6 *times*.
1859	9·4	·8	1·8	,,	
1864	11·5	1·1	2·6	,,	
1869	16·3	1·0	3·4	,,	
1874	16·5	1·3	1·4	,,	
1879	16·5	1·7	2·8	·4	
1882	24·8	2·2	4·3	·8	
1886-87	28·8	2·5	3·8	·8	

We are often told that one of the advantages of the expansion of our import trade is that we get our supply of manufactured articles much cheaper and better than we can have ourselves with our present means and appliances. This is true enough and is no doubt our gain as *consumers*, but what a price are we paying for this gain, as *producers and labourers*? Our home manufactures are almost now gone down, and this collapse means to us much more than is commonly supposed. (1stly) It means to us the disruption of our industrial organization and a change from a many-sided system to one resting on the basis of a single industry; (2ndly) it means to us the transfer,—enforced, compulsory transfer,—of one half our industrial population from fields of *skilled* labour to fields of *unskilled* labour, involving as its necessary consequence a distinct deterioration in their standard of life and comfort; (3rdly) it means to us a fearful falling-off in the condition and resources of the middle classes, who are the back-bone of every fairly progressive community; (4thly) it means to us a dangerous contraction of the total national provision for a growing population;—changes all of a grave and wide-reaching character amounting to a most disastrous economic revolution highly detrimental to the moral, social and intellectual well-being of the entire nation.

Such has been, however, the effect of our extended and extending commercial intercourse with countries with the most perfect industrial organization of which we have been unable to compete. But now there are signs of a turning of the tide. The mill industry of Bombay shows a vigorous start, full of promise and hope. It marks the beginning of a systematic attempt to bring in the machinery and steam of the West, and equip ourselves properly for a struggle on equal terms with our European compeers. The first mill established in Bombay was at Tardev in 1857. For the next 10 years the progress was rather slow, looking to the intermediate period of cotton-trade activity. In 1866 there were only 8 mills with a nominal capital of 2½ crores. In the next 10 years, the progress was more rapid; the number of mills increased to 47 with 1,100,000 spindles and 9,000 looms in 1876. From 1876 to 1886-7 the progress has been still more gratifying; the number of mills was 94 with spindles increased from 1 to 2½ millions, looms from 9,000 to 17,000 and with a nominal capital of 4·71 crores. The amount of cotton worked up during the year has risen from 270,000 cwt. in 1866 to 2,356,000 cwt. in 1887 or nearly tenfold. Turning to exports of the outturn of those mills, we find equally satisfactory progress. The figures are:—

Exports from India.

Year.	Quantity.		Value.
	Yarn Mill. lb.	Piece goods Mill. yards.	Rs. crores
1876	7·9	15·5	·74
1880-1	26·9	30·4	1·82
1883-4	49·8	55·6	2·78
1886-7	91·8	53·4	4.21

The figures are eloquent and call for no comment. Our markets are China, Japan and Eastern Africa. Our success in China, Mr. O'Connor considers as certain; for in his Third Review for 1886-7 he observes:—"With full and free development of trade, it is hardly open to doubt that the natural advantages possessed by Bombay must enable it to ultimately oust Lancashire from the China markets so, far as regards twist made from Indian cotton" (page 54). So far, then, we have every reason to be satisfied with the progress achieved in this direction, but this industry still rests on a somewhat narrow basis; part of the capital is other than native, the management is wholly other than native, and the skilled labour is for the most part imported. There are other industries also, conducted with European appliances, slowly taking their rise, like the Reay Paper Mills of this city. But what hampers the success of these and other industries is want of skilled labour in the country—a want which can only be supplied under an extended system of technical education. Further, all these industries taken together are still too small and undeveloped, and it will be many years before they can make a sensible impression on our position as a whole in this respect. The native share of the profit of these concerns probably does not exceed a crore and a half at the most, and this is the only set-off we have to show to the vast losses which our producing and labouring classes have to submit to year after year in consequence of this grievously abnormal turn which our foreign trade has taken owing to a terrible disparity of the conditions of competition.

Let us finally turn to consider what has been the gain, from the expansion of our foreign trade, to those engaged in agriculture, which has come under these abnormal conditions to be the one industry in the country for its teeming millions. Looking to the export side of the trade account, we have the following figures, relative to increase of export of some of our staples of

agricultural produce since 1865–66, information for previous years not being available.

	1865-6 Mill.	1870-1 Mill.	1875-6 Mill.	1880-1 Mill.	1885-6 Mill.	1887-8 Mill.
Rice, cwt.	13·9	15·7	20·0	26·7	27·8	28·0
Value Rs.	4·9	4·1	5·2	8·9	9·1	9·22
Wheat, cwt.	.....	.....	2·5	7·4	21·0	13·5
Value.	.....	.....	·9	3·2	8·0	5·5
Seeds, cwt.	3·2	7·1	10·5	10·3	17·3	16·0
Value.	1·7	3·5	5·4	·3	9·9	9·3

Thus in 20 years from 1866 to 1886 *Rice* increased from 14 mill. cwt. to 27·8 mill. cwt. in quantity, and from 4.9 mill. sterling to 9·1 in value,—a value nearly *doubled*. Last year the quantity exported was 28 mill. cwt. valued at 9¼ crores. Seeds rose in the same period from 3·2 mill. cwt. valued at 1·7 crores to 16 mill. cwt., valued at 9·3 crores, *i. e.* an increase of 600 p. c. in value. As regards wheat, the trade took a good start only in 1874-75 after the removal of the export duty: it rose from 2·5 mill. cwt. to 21·0 mill. cwt. in 10 years and in value from 90 lacs to 8 crores, *i. e.* ten times increase in quantity and 9 times in value. Last year the wheat export fell off from 21 mill. cwt. to 13·5 mill. cwt. in quantity, and from 8 to 5·5 crores in value—a sudden and unexpected decline owing probably to the increased competition of the United States and to good crops in Europe. Cotton has not much varied, but has fairly maintained its level of 1867-68 in quantity, though not in value, the figures being

in 1867–8 5·4 Mill. cwt. valued at 20·9 crores.
in 1887–8 5·4 ,, ,, 14·4
a fall-off in value of 5½ crores.

These figures show a vast expansion, on the whole, of our export trade in some of the chief staples of agricultural produce, but this expansion gives no indication whatever that our agriculture is in any high degree in a flourishing condition. On the contrary, facts are not wanting to show that it is seriously deteriorating. The increasing export of agricultural produce is due to large extensions of cultivated acreage rather than to

agricultural improvements. In Bombay and Madras the acreage under cultivation has more than doubled in the course of the last 30 years ; thus—

Madras		Bombay	
1852-3—9·2 mill. acres	= nearly	1856-7—12·5	increase
1885-6—27·4 ,,	trebled	1885-6—32·	2½ times

In other provinces also, there is reason to believe, though exact information is not available, that a similar increase in cultivated area has taken place. So also has increased the population depending upon land. Already, according to the Famine Commissioners' view, more than 80 p. c. of the total population of the country (*i. e.* British India only) is closely connected with the land, *i. e.* about 160 millions. The total cultivated area, excluding Bengal, is 149 million acres, while the agricultural population, also exclusive of Bengal, is about 125 millions ; so that we get a trifle over an acre per head of agricultural population which well measures the pressure on this industry. In the absence of other industries to resort to, the agricultural industry remains the only one to which the population is more and more driven for bread, and the severity of the increasing competition in this field is attested by a steady rise in rents and the letting value of land—facts which are erroneously pointed to as proofs of a flourishing state of agriculture. Nothing brings out more clearly the enforced or compulsory character of this universal resort to agriculture in this country, as the one industry left open, than the fact that for the last 17 years since 1870 we have been exporting larger and larger quantities of wheat, seeds, and other agricultural produce in the face of a continued fall of prices. The price of wheat, for instance, has fallen more than 26 p. c. (*vide* Mr. O'Conor's Note on trade and exchange), and yet our export of it has risen from 2½ Mill. cwt. to 21 Mill. cwt. in 1885-86 in ten years (the last year's fall-off being exceptional). Cotton has fallen in price since 1870 full 31 p. c., and yet we have kept up our export as before.

Extension of acreage and increase of agricultural population notwithstanding, there have been few or no agricultural improvements worth mentioning except here and there in the matter of seed, and that too under Government initiative. As regards irrigation by wells and private tanks, matters are not much better. *Well Irrigation*, except in the N. W. Provinces, is not extending (*vide* Agricultural Statistics of British India p. 32), and as yet only 8½ million acres are so

irrigated out of the total irrigated area of 23 millions, *i. e.* not even 6 p. c. of the total crop area of 140 mill. acres in the country (figures for Bengal not available).

Next as to yield of crop, experts seem to lean to the opinion that it is decreasing in India. The soil is believed to be being exhausted by over-cropping and deficient manuring. Speaking lately with regard to wheat cultivation in India, Professor Wallace of the Edinburgh University expressed a belief in the likelihood of the yield decreasing and the quality degenerating in fifteen years by too frequent growth in the same land (*vide* his lecture on Indian agriculture; London *Times*' Report Dec. 7, 1887). Dr. Schrottky in a work on Indian agriculture, published several years ago, expressed his conviction that there was a vast deterioration of the soil and decrease of yield in India. If we compare the yield of similar crops in other countries, we shall see how we are far behind them in this respect. In Bavaria in Italy near Piedmont, the yield of rice is 2,500 lbs. per acre, while with us it is 800, not even ½. In America 200 lbs. are picked from an acre of good cotton; with us the average ranges from 60 to 70, *i. e.* about ⅓. Wheat again shows a like disparity; in Great Britain the yield per acre is 28 bushels, in Prussia 17, in Belgaum 21, in Italy 14; while in India it is hardly 9 or 10 bushels. Now if we turn to our agricultural stock, we find a state of things still worse. The following figures are given in the Government publication above quoted "Agricultural Statistics of British India," Bengal being left out all through, as no statistics for that province are available. The total crop area for all India (except Bengal) is 139·8 Mill. acres and the live-stock is as follows:—

	Mill.	Total
Cows and bullocks	39	52½, that is hardly a pair for every 5 acres of cultivated area.
Buffaloes	13½	

In Madras with a crop area of 27·4 Mill. acres we have only 4·6 mill. bullocks and he-buffaloes or a *pair* of bullocks or he-buffaloes *per* 10 *acres of crop area*. Cows and she-buffaloes here are about 4·7 mill. In Bombay, excluding Sind, with 28·8 mill. acres under cultivation, there are only

3·2 Mill. bullocks } together numbering
376,000 he-buffaloes } 3½ Mill. *i. e.* not even a pair

of these for every 17 *acres* of cultivated land. Cows and she-buffaloes 3·2 mill., about an equal number. As to horse-breed-

ing the figures are still more painfully striking. Horses and ponies in all India, except in Bengal, Central Provinces and Assam, number not more than 889,000. In Madras the number is 37,828. In Bombay, exclusive of Sind, horses, mares, colts, all numbering 125,000. In N. W. Provinces the number of horses and ponies is 352,000; in the Punjab, it is only 214,000. In this connection it is interesting to note how the export trade in *hides* and *skins* has grown during the last 10 years :—

1876-77 650,000 cwt., valued at 2·9 crores
1880-81 871,000 cwt., valued at 3·73 crores
1885-86 1,100,000 cwt., valued at 5·33 crores

There was some decline in the trade for 1886-7.

Mr. O'Conor in his Trade Review (p. 50) for that year, after noting the reduction in the exported quantities, remarks as follows :—"But even these reduced figures indicate a high level of trade, too high indeed to be a matter for unqualified satisfaction; for there is no doubt that the death of a considerable number of the cattle whose skins are exported is unnecessary and avoidable, and a loss to the agricultural classes which is far from compensated by the high price of the skin. This large trade is almost confined to Bengal, whence six-sevenths of the exports are made, the hides of all North India being sent to Calcutta for export. What becomes of the hides of Western, Central, and Southern India is not clear, unless it is assumed that in those parts the agricultural population are mainly Hindus who will not traffic in hides, while Bengal, the North Western Provinces and the Punjab have a large Mahomedan agricultural population who have no prejudice on the subject and make their profit accordingly." Well, gentlemen, be this as it may, it is clear that our live-stock is in a wretched condition, too wretched for improvement in agriculture, while the export trade in hides and skins is growing to an alarming extent.

On the whole, then, whether we look to irrigation or agricultural improvements, to yield of produce per acre or agricultural live-stock, we are driven to the conclusion that our agriculture is not in the condition in which it ought to be, or in which it is often represented to be by those who shut their eyes to facts and trust to fancies. If our expanding sea-borne trade has done good to any Indian interest, it can be to agriculture, but agriculture, as we see, is as yet, after 30 years and more of this

trade expansion, showing no tendency whatever to improvement. It can also I think, be shown that the gains of the cultivators are in no way large, as is commonly supposed, from the increasing exports of their agricultural produce. Let us attempt a calculation. Taking the figures for the export trade of last year, we have 86 crores as the total value of Indian produce exported from the country. From this, we have to make too large a deduction,—10 crores for *opium* as being a Government monopoly, 12·2 crores more on account of *tea*, *coffee*, *indigo*, and *jute* manufactures which, through good and useful industries, are in the nature of foreign enterprises in the country, and which, as their profits ultimately leave the country, have to be placed outside the pale of the national industrial system. After these deductions the balance left is 64 crores. This is, however, the valuation of the produce exported at the port of shipment, and a further deduction has to be made for difference of prices at the port and in the villages, say, 15 to 20 per cent. So after making this allowance, we reach a balance of about 54 crores as the value of the agricultural produce shipped from this country, which the cultivators may be said to have received for it actually. Now, what is the net profit to the cultivator on this 54 crores worth of agricultural produce they send down to the ports for shipment abroad? Going on the theory of the Revenue Settlement Department, that the standard of assessment is one half of the net produce after deducting expenses of cultivation, and averages about $\frac{1}{15}$ of the value of the gross produce, we may make the following calculation:—54 crores being the value of the gross produce, $\frac{1}{15}$ of it, that is, 3·6 crores would be the Government assessment, which again would be $\frac{1}{3}$ the net assets, so that on account of this amount of gross produce, the net profit left in the hands of the cultivators is 3·6 crores, equal to the Government demand.

Thus we reach in a rough way the measure of the gains to the cultivating classes from our expanding foreign trade—3½ crores or, at a most favourable estimate, 4 crores which, when distributed among an agricultural population numbering 160 millions represents 4 annas per head per annum of such profit. So small then and almost inappreciable is this margin of profit left to the agricultural classes on account of our foreign trade; and this being so, is it a matter for wonder, gentlemen, that agriculture in this country is not improving with our expanding trade? This is, however, the only gain against the losses referred to above and has to be duly noted down here. The gain

is, indeed, small, but this branch of our trade marks a very strong point in our trading position as a whole. Our products of agricultural labour are becoming widely known, and are gaining a secure foot-hold in the markets of the world. Already in respect of *wheat* and *cotton*, we compete, and with a fair degree of success too, with Russia and the United States, though these possess an advantage over us in point of distance and facility of communication, in several of the most important markets of Western Europe, the United Kingdom, France, Italy and Belgium. In *indigo*, *jute*, *rice* and *seeds*, we are secure in several markets and have not much to fear from the competition of other nations. This is, to my thinking, an advantage of our position, as compared with which our little money gain to the cultivators is a matter of secondary importance. Now putting together the money losses and the money gains, it is clear that our sea-borne trade is not on the whole profitable to us. On the contrary, the balance of net losses is almost enormous, about 70 crores in all, losses in respect of shipping, import and export, manufactured imports &c.,—a balance of loss which explains why it is that the masses in the country are getting poorer inspite of the expanding trade. The agricultural interest alone seemingly gains something, while every other interest is suffering and sinking. Even the agricultural interest is suffering with the rest in consequence of over-crowding and severe competition which send up rents, Government assessments, and the letting value of land. The indebtedness of the Indian cultivator is becoming proverbial. He has no capital to put in his land, and agriculture is, in consequence, not improving. The agricultural labourer is faring still worse; he does not find sufficient work in the fields, nor does he see other means of eking out his subsistence. Wages have risen too low and he is unable at times even to pay for the salt he and his family require. Such being the condition of things, it may be asked, what then becomes of the net imports of Gold and Silver into the country year after year? This question brings us to a consideration of the last feature of our trade, namely, a regular annual import of the precious metals into the country.

Looking back over the figures for imports and exports of merchandise, excluding treasure, for the last 53 years from 1834 to 1886, both inclusive, we find the export of merchandise *exceeding* the imports in every single year without exception. This excess of exports in these 53 years is represented by no less a sum than 840 millions. A portion of this excess, amounting

to 409 millions, has gone, as we have seen before, to meet part of our English liabilities, and for that portion, therefore, the country has received no commercial return whatever. The remaining amount of 431 millions of the excess imports of merchandise is covered by an equivalent of net imports of the precious metals. This import of treasure has been, throughout the period of 53 years, a regular feature of our trade statistics, and we have received and retained more or less of the precious metals in every single year since 1834.

For the first 12 years, Gold and Silver are not distinguished in the returns, but the net import is put down at 25 crores. Dividing half and half between the two metals, we may say :—

1834–45 (12 years)	12·5	of Gold and	12·5	crores of Silver, Net Imp.		
1846–59 (14 ,,)	20·7	,,	53·6	,,	,,	,,
1860–73 (14 ,,)	72·6	,,	117·2	,,	,,	,,
1874–86 (13 ,,)	34·8	,,	91·6	,,	,,	,,
Totals	140·6	of Gold and	274·9	of Silver.		

Grand total 415·5 crores for gold and silver, *net* import in the course of 53 years from 1834. (The figures for the last year are omitted as no coinage figures are yet available for it.)

Of the Gold imports (140 crores) the Gold coin (Mohurs) is estimated at 3 millions (*vide* Hunter's Imperial Gazetteer). From the remaining, we have to deduct indefinite amounts on account of:

(1) Gold reserves of exchange—Banks in India.

(2) What has passed out of the country as part of personal belongings (ornaments or plate) unknown to Trade Returns.

(3) Wastage by loss and by wear and tear from year to year.

(4) Export over-land into Central A[illegible] *unascertained.* (*Vide* [illegible] Report.)

The balance, that is left [illegible] the net amount of gold [illegible] ornaments. If we

an average of about 2 crores of gold per year in this period of 53 years for a population of 250 millions, *i. e.* one anna and 3 pies per head per year.

The variations in net imports of gold into the country from period to period in the course of these 53 years deserve notice. In the first period of 12 years 1834-45 we got 12·5 crores; in the next 14 years, we got 20·7 crores, *i. e.* an increase of 60 per cent; in the next 14 years 1860–73 (which included the period of the cotton-trade activity) we absorbed no less than 73 crores or twice the amount of the previous period of 25 years. In the next period of 13 years, ending with 1886, the net import fell off to 34·8 or ½ the import of the previous period of 14 years. On this point Mr. O'Conor's remarks are worth quoting :—"The average of the second period (*i. e.* the last 13 years) was greatly affected by the remarkable diminution in imports during the famine period of the 3 years—1876–77 to 1878–79. In these years the imports fell to the lowest *point* ever known in 1878–9, the exports largely exceeding the imports. In former years of distress in India such an occurrence was unknown, and it may be taken as indicating the extreme severity and wide-spread nature of the distress. Even, however, if allowance were made for this exception, the average imports of the second period are much below those of the first" (*i. e.* 1860–73).

If we descend to details, we find that the largest import for the period (1874-86) is for the year 1883-4, attesting perhaps a complete recovery from the effects of the late famine. The import for that year was 5·46 crores, equal to that of 1869-70 or more than that of 1861-2. Since then, however, there has been again a decline. In 1886-7 it was only 2·17 crores, even one half the amount of 1883-4. Last year, it was slightly better being 2·99, but still much below the level of that This decline in the last period, and particularly in the years of the period, taken in connection with the expa volume and value of trade, is most striking, as indic unmistakeable decline in the country's prosperity in sp sion, as far as it may be measured by its tion.

orts of silver during the 53 year the amount of the net to that of the total

In the annual Report on the operations of the Currency Department for 1886-7 published in the supplement to the Government of India Gazette (10th Nov. 1887), we find a statement of whole Rupees coined and issued from the Indian mints from 1835 to 1886 which may be summarized thus:—

	Total coined	Total since 1834
William IV	16,39,00,000	
Victoria 1840-1st issue,	31,16,00,000	=275,64,00,000.
,, 1840-2nd issue,	76,65,00,000	
,, 1862	70,69,00,000	
,, 1874-86	80,75,00,000	

The obvious inference is that all the imported silver, or a quantity equivalent to it, retained in the country, has passed through the Mints. It is not easy to estimate how much silver coin there is at present actually in circulation in the country. But Sir W. Hunter in his Imperial Gazetteer says, it has been estimated at 156 crores. Adding some 7 millions since he wrote, we get a total of 165 crores as the amount of silver coin current at present in India, and thus the question is, what has become of the remainder of silver coinage—about 110 crores? Part has gone over-land into Central and Eastern Asia, but the amount is unascertained; part also must have crossed the land-frontiers of the Empire in the course of the various wars in which the country has been engaged across the frontiers during the last 53 years, including the two Afghan wars, the Nepal war, the two Burmese wars, and several trans-frontier expeditions against the frontier tribes; part must have been absolutely lost in the Mutiny and other years; part, further, must have been remitted home, or carried away home, by foreign sepoys in our native army in the course of their service in India and after their retirement from the country; part also represents payments to frontier chiefs and tribes to keep peace and order in the Khyber Pass, on the Quetta line, and in British Beloochistan, as well as to the Afghan and Beluchi levies maintained in those parts; lastly part represents wastage by wear and tear. After making allowance for all these various amounts, which different persons will estimate differently, the balance of silver coin, not in circulation at present, must have been either hoarded or melted for ornaments in this country. This balance I think, may be safely put down at not more than 60 crores. Then 60 crores in 53 years or a trifle over one crore per annum for a population of 25 crores for hoarding and ornaments—or less than an anna

per head ; this is surely not a proof of the country's advancing prosperity or of growing accumulation of capital in the country. The point becomes still clearer as we go into details. The variations in the net imports of silver from period to period are in themselves remarkable. In 14 years from 1846 to 1859 we got altogether 53½ millions or at an annual average of nearly 4 millions. In the next period of 14 years from 1860 to 1873, the two main features of which were (1) a vigorous prosecution of Railways and Public works for which there were large borrowings in England, and (2) activity of the cotton trade during the American war of 1863-66, we received a net import of 117 crores worth of silver, or at the rate of about 8½ millions a year, or twice the average rate of the previous period of 14 years. In the last 13 years from 1874 to 1886 we find a considerable fall-off in the net imports from 117·2 to 91·5, or at the average rate of 7 against 8½ of the preceding period—this fall-off, besides, be it remarked, in spite of a vast extension of commerce from 95 millions to 162 during the period. Next if we take the last two periods from 1860 to 1886—one of 14 years and the other of 13 years—we find that out of a total import of 117 millions in the former period we had silver coinage of 98·04, leaving a balance of uncoined silver of 18·96 or say 19 millions for the period, while from a net total of 91 millions in the latter period silver coinage absorbed 87·04 millions, leaving a margin of only 4 millions of uncoined silver for that period against 19 of the previous. In respect of this last period, for 6 years out of 13, the amount of silver coinage even exceeded the net imports of the metal by over 8½ millions—which amount, therefore, must have been drawn from internal sources of supply—the people's hoardings or ornaments—a conclusion sustained by the evidence of the Currency Department. In remarking upon the reduced imports of the last 13 years, as compared with those of the previous 14, Mr. O'Conor,—the accomplished Under-Secretary to the Government of India in the Department of Finance and Commerce, whose writings throw so much light upon this entire question,—argues thus :—

"With a largely increased population and vastly increased progress in railways and other public works and in the volume of commercial transactions, it might have been supposed that to maintain an adequate currency the supplies of silver should have also largely increased, especially if it is true, as some think, that silver has depreciated in value, and that therefore India can afford to buy more of the metal. The fact that India has not

been able to buy as largely of gold as it wishes, owing to the appreciation in value of that metal, is clear enough from the figures above given ; and the converse result would have taken place, no doubt, with silver if it had really fallen in value, and if the wants of India in respect of the metal had not been fully satisfied. It is difficult to say indeed that those wants have been fully satisfied, for the value of the Rupee in India is still not much less than it was 20 years ago over the greater part of the country. Prices and wages have materially risen locally where a large and sudden demand for labour or commodities has arisen, or where railways have tapped regions which previously had no external markets ; but taking a general view of the whole country, it does not seem that there has been any such general or considerable rise in prices as to indicate that the currency is redundant. On the other hand, there has been an enormous increase of manufacturing industry, of railway and other public works, of transactions in both the internal and external trade ; and it seems reasonable to conclude that making all allowances for the displacement of metal by currency notes, bills, drafts and cheques, the employment of silver must have increased in at least double the ratio of increase of the population, that is to say, that assuming the population to have increased 14 per cent in 14 years, the requirements of silver for currency must have increased 28 per cent." And after having stated that "the imports of silver, however, have actually not increased in the last 14 years since 1873", he formulates his conclusions thus :— "It is evident then that the increased supplies of money required for the increasing needs of the country have been met from internal sources of supply, and the only inference that can be drawn from the facts is that *old hoards have diminished, metal having been taken from them for circulation as coin, and that new hoards are neither quite so large nor quite so common as they used to be ;—in fact that the practice of hoarding is gradually, though slowly, falling into disuse, and that the silver imported into India goes every year more largely into circulation.*"

On the whole, gentlemen, taking this long period of 53 years since 1834, we have only about 160 crores worth of the precious metals (100 of Gold and 60 of Silver) in all for hoarding, ornaments, and other purposes, or a trifle over 3 crores per year for a population of 25 crores, or about, say, 2 *annas per head per annum*—a rate of annual absorption of the precious metals in a country where savings take the form of hoarding or ornaments—a rate which does not show either that we are

saving more and more year after year, or that the country is advancing in material prosperity in a degree at all commensurate with the immense expansion of our foreign trade which has increased in the period of 53 years from 14 millions to 170 millions a year or 12 times.

Thus, even this brief analysis of the net imports of Gold and Silver during the last 53 years goes in a remarkable degree to sustain and illustrate the main conclusion regarding the economic effects of our expanding foreign trade, namely, that it is not only bringing no large or increasing profit to the nation, but is on the contrary, in respect of its present character and of the channels in which it is at present running, a source of immense losses to all classes and to all interests in the country, including even the agricultural; and here, I think, we have to seek for an explanation of that painful contrast between the growing trade of the country on the one hand and the increasing poverty of the people on the other.

Here concludes this hurried but lengthened inquiry into some of the aspects and economic results of our present position as a trading nation, and what is the upshot? Taking a broad view of that position, it seems to me to present a blending of strong and weak points—the strong points preponderating over the weak on the whole. Among the strong points may be noted the following:—

(*a*) That we are now, under the British flag, in *direct* commercial intercourse with most of the nations of the world, a rare piece of good fortune falling to a rising, young commercial nation. This is, as I view it, one of the most beneficent results we owe to the British connection—a political and economical connection with a nation that is leading and ruling the commerce of the world. The work of centuries is in this respect being accomplished in the space of a few decades.

(*b*) That our commercial intercourse with these nations is expanding with a rapidity almost marvellous,—an expansion, which is a measure of our participation in the general movement of the world's international trade, on which we may congratulate ourselves. A position of isolation from the concert of nations is no more beneficial in the commercial, than it is in the political, sphere.

(*c*) That we are rapidly succeeding with the assistance of British enterprise, in securing for our commodities a firm and increasing foot-hold in the markets of the world. In respect of

agricultural produce, we are already contesting the field with a varying measure of success with one of the most go-a-head nations of the world, the United States, in the neutral markets of Europe, while our cotton goods of Bombay are pushing their way in China and Japan and Eastern Africa with such rapid and splendid success that we may reasonably count upon ousting Manchester from those magnificent markets in a few years, in spite of the lucubrations of the London *Times* over such a result.

(*d*) That we have now within the country facilities for communication and transport of goods—facilities which are increasing with every extension of our Railway system.

(*e*) That our trade is now free from fiscal restrictions in respect of both its internal as well as external movement. The Free-Trade measures of the last 30 years—whatever difference of views there may be regarding their expediency as financial measures or as to the fiscal substitutes, such as the salt tax, which they have necessitated for the maintenance of the financial equlibrium—must, I think, be admitted to have given us a commercial advantage of no small value. That these measures have led to increase of trade in past years is a fact beyond dispute, and that they will have a like effect in future years may, therefore, be taken as a certainty. Freedom of international exchanges, such as these measures have established in the country, must stimulate international competition which, when our position is improved in other respects, and with other aids, cannot fail to bear eventually good fruit.

(*f*) That we have, before our eyes and in our very midst, for imitation, some of the most successful examples of new industries, such as *tea* for instance, started and developed by British energy and enterprize. The value of such successful example is immense to a young community just entering upon a new phase of industrial development.

(*g*) That our central geographical situation is one of great advantage, even superior in some respects, for purposes of commercial expansion, to that of England in a far off corner of the Atlantic.

These and several other like points, gentlemen, are in our favour, and constitute, I think, the strength of our position. But it must be admitted that there are also counter-balancing

points of weakness on the other side, which at present considerably detract from the value of that position. The chief among these are:—

(*a*) Our commerce is not at present under our control, whether in respect of shipment or import and export, and the consequent loss is very large—about 26 crores a year, *i. e.* more than the whole amount of the Home Charges of which we so much complain. Here increased efforts on the part of our Banias, Khojas, and Parsees are necessary.

(*b*) Our greatest weakness, however, lies in our increasing dependence upon a single industry. This one-industry system, which is at once the cause and effect of the immense losses which our industrial classes are sustaining year after year, is a formidable evil which must be controlled and remedied before we can hope to profit by our trade. The growth of the cotton industry of Bombay and other like industries, that are starting into life here and there, mark no doubt the encouraging beginnings of a healthy change. But the evil is great and too deep-seated, and strenuous efforts must be directed to its removal.

Our advantages for such an economic change are great; we have an unlimited supply of raw material at our very door; we have a firm hold on the world's markets; our hand-skill and art-perception are admittedly of no mean order; and so forth. Cheap labour is often spoken of as an additional advantage in this respect, but I think, this cheapness of labour or, what is the same thing, low wages must be considered as symptomatic of the present diseased condition of our industrial system, and the symptom will, and it is most desirable that it should, disappear with the disease. Our labouring classes, as our industries improve and develop, will come in for a fair share in the resultant national advance in material prosperity. But this apart, our other advantages for prosperous manufacturing industries are neither few nor small, and the only obstacles in the way of our availing ourselves of those advantages are (1) absence of technical education and (2) want of accumulated capital and organised credit in the country. These obstacles must be got over before our trade can become to us a source of gain instead of a source of loss as at present. As for *capital and credit*, they cannot at once come to us, and we must wait and trust to time and to the growth of national habits of thrift and saving. The State, even here, can do much for us under a system of guaran-

tee, but that is a great question of politico-economic character into which I will not enter. But in the matter of technical education, there seems to be no great difficulty when we get adequate aid from the State. And here I think we may fairly draw encouragement from the circumstance that there is already in responsible quarters a disposition to accord a favourable consideration to any practical proposals on the subject. "*Protection*" appears to some to be a panacea for all our evils, but I am persuaded that unaccompanied by a system of technical education, "*Protection*" of itself will not help us much. As it is, our present one-industry system is a weak point in our position, which is entailing upon us year after year immense losses amounting to 70 millions, and making every industry and every interest in the country suffer, not excluding even agriculture. Such, then, as I consider it, is our present trading position,—a position in which the strong points are many and the weak points few;—which weak points however, tend at present to make our otherwise magnificent trade with the world not only entirely profitless but in many respects positively harmful to all interests in the country. But even in respect of these points of weakness, it is encouraging to note that we are in a way—it cannot yet be said in a *fair* way—towards getting them removed and remedied, and when we are able,with increased exertions on our part and also with the support of Government in one or two particulars, to effect a change from the vicious and ruinous *one-industry* system to one resting on the basis of varied, co-ordinate industries and have in our hands the control of our trade, our present losses will not only disappear but will be turned into positive gains, and we shall reap the full advantages of our splendid commercial position and shall then be able to banish from our minds all anxiety about the increase of our "Home Charges."

Thus viewed, I think, there is much in our present position as a trading nation that encourages hopes of a brighter prospect. But I would ask you to rest your hopes on grounds higher still.

(*a*) There is now a very general awakening throughout the country to a proper sense of our duties and responsibilities in this connection, and the demand of the Madras Congress of December last for a State-aided system of technical education is, to my mind, only one sign of that awakening.

(*b*) There is a growing appreciation of the value of active associated effort in this field. The Madras Presidency seems

to be far ahead of other Provinces in this as in several other respects; for, from the "Statistical Tables for British India" published a few days ago, I find that out of a total of 355 Banks and loan associations conducted on joint-stock principles in all India, Madras claims by far the largest number, namely, 268, of which most, if not all, are Hindu associations, with a small sprinkling of Mahomedans, for such objects as banking business, loans, investing savings, &c. &c. working with a capital of about 2 crores. This appears to me a most remarkable and gratifying progress in the direction of co-operative effort, and it is to be hoped that we shall not have long to wait for similar advance in the other Provinces.

But finally, Gentlemen, I think our very national history and national characteristics forbid any misgivings about the commercial future of the country. If there is one thing more than another to which Indian history testifies, it is that as a *nation* we are in no way inferior to any on the face of the globe in energy, self-reliance, and earnest love of work. And if we but put forth one-tenth of that self-reliant energy and earnest love of work to which, among other things, we owe our *national* survival after 20 centuries of hard, severe and almost continuous fighting for an independent national position, we are bound to win in this commercial race of nations. And let us hope and pray that under British direction, with the direct aid of British enterprise, and with the indirect but still more invaluable aid of the British example, India, under the blessings of Providence, will at no distant date be marching side by side with England in the van of the world's commercial progress and be once more, what she was famed throughout the ancient world to be for, *par excellence* the land of Gold—of Golden plenty and Golden prosperity as of Golden form and Golden freedom.

THE ECONOMIC RESULTS OF FREE TRADE AND RAILWAY EXTENSION. *

Mr. John Slagg, M. P. for Manchester, has observed, in his recent contribution to the *Contemporary Review*, that "as a member of the Indian Railway Committee, I have been profoundly impressed by the utter absence of official evidence as to the economic effects of Railways on the condition of the people. It is evident to me that in the vast expenditure on Public Works, which for the last quarter of a century has gone on in India, we have been literally plunging in the dark. * * * We have spent an enormous amount of the wealth of India in the construction of Railways, canals, and other works, under the impression that we thereby not merely develop the resources of the country, but greatly improve the condition of the people. There is a strong desire in official circles that this vast expenditure should continue, but we are by no means fully supplied with evidence as to its good effects so far upon the people. The point ought to be certainly decided, either in the affirmative or in the negative, before any further continuance of the policy is sanctioned, or otherwise we may discover, when too late, that we have laid burdens on our Empire by the very policy which was intended to enrich it." This deliberate expression of the views of the Member for Manchester will be welcome to all who have watched the proceedings of the Parliamentary Committee on Indian Railways, which has recently submitted its report recommending a large extension of Railways throughout India during the next few years, as proposed by the Government of India. The point of view from which the Committee have viewed the question has been that of the official experts, or the interests of the foreign trade. The stand-point of the Native tax-payer, who is chiefly interested in the direct and indirect effects of this proposed extension, is to some extent in conflict with the interests of foreign capitalists and traders. This fact was not placed with sufficient prominence before the Committee, who on their part did not display any anxiety to secure an expression of Native opinion on the subject for their enlightenment. It is, however, not too late in the day to supplement the inquiries of the Railway Committee by an examination of the

* This contribution appeared in the Journal of the Poona Sarvajanik Sabha, October 1884.

first principles lying at the root of the economic policy of Government, in this connection, and of the practical effects which have followed, or which may be expected to result, from the further continuance of this policy on the same, but greatly extended, lines. It may well be hoped that before the report receives the sanction of Parliament, Mr. Slagg, and the band of Parliamentary friends of India who work with him, will enforce public attention to the views of the Indian people, and endeavour, as far as may be possible, to supply the deficiency noticed above, before Parliament lends its sanction to the one-sided recommendations of the Committee.

We propose in this place to analyse the effects of the forward Public Works policy, which has of late found favour with Government, in its bearings upon the condition of the people. Next to the great agrarian problem brought to the front of practical politics in India by the discussions on the Bengal Rent Bill, the Relief-Act, and the results of the revenue settlement operations, the question of the extension of Public Works, principally of Railways, is by far the most important in its bearings on the condition of the people, and involves more important issues in the future than are apparent at first sight. The Government of India, in its anxiety to develope and facilitate the import and export trade of the country in a way to enable it to compete with America in the English market and furnish a larger demand for English manufactures, proposed last year to construct through its own agencies, or through private companies, more than five thousand miles of Railway at an estimated expenditure of thirty millions during the next few years, chiefly by borrowing the capital required for the purpose in the English market. These proposals have been generally approved by the Committee appointed by Parliament. Both the Government of India and the Parliamentary Committee do not, however, seem to have sufficiently realized the fact that in America Free Trade does not exist, and Protection rules supreme; that the Railways are not State undertakings, but are built by private enterprise on its own responsibility; and that the Railway system in America is only one portion of its material development, the other factors of agricultural, manufacturing, and commercial prosperity being developed at the same time all over the country. Our conditions here are *peculiarly* un-American. Our Railways are State undertakings. The responsibility to find the interest for foreign capital is a charge upon the Indian people, and the Railway development is unaccompanied by a general increase

in the elements of national well-being. The co-ordination of industries which must be organised to secure material progress, and the system of economic measures, partly protective, and partly stimulating, which have worked such wonders in America are conspicuous by their absence in this country. The American example is, therefore, not to the point. In this country, which is economically in such a primitive and backward condition, a too exclusive policy of pushing on Railways at American speed, beyond the resources of Indian finance, will, unless accompanied by other economic measures of far greater importance, only end in national impoverishment. We are not opposed to the growth of Railways *per se*. They are good in their own way as providing cheap transit, and promoting national solidarity, and facilitating trade-movements, but when their extension is made the *ultima thule* of State action on its economic side, their tendency to prevent, in a country like India, a healthy material advance on *normal lines* must be duly taken into account; for, unless they are accompanied by other and more important measures conducive to a better organisation of national industries, they do not add to the intensive strength of the country, which alone furnishes a firm foundation to its expansive greatness. We want undoubtedly a vigorous Public Works and Railway policy, but it must be based on broader, safer, and more national principles, and must be such as to help, and not to starve, the organic and co-ordinate development of our economical condition in all directions.

Our opposition to the Government proposals in regard to the extension of Railway is not based on the some-what pedantic ground that the buildings of Railways with a view to open up the country to trade does not appertain to the proper functions of Government, but is in a peculiar sense the nation's own work, and must be left to the unrestricted agency of private enterprise. We admit freely that Government is not simply the constituted agency of public protection, but is also the constituted representative of the collective strength of the community, and may undertake within certain limitations other duties which can better be performed by the collective guarantee of the nation than is possible to private enterprise, independently of such help. In advanced countries where the people have the means, the energy, and the knowledge to push on in their career of economic progress without extraneous help, the scope of the action of the Government is necessarily circumscribed within narrow limits, and it may content itself with watching public safety, and safe-guarding the internal activities and

facilitating them by the removal of artificial hindrances and obstacles. It might, for instance, accept free-trade as the guiding principle of its commercial policy, and, as was done in England forty years ago, secure the greatest freedom of international exchange. It might also, as has been done on the continent of Europe, and in America, and in the British Colonies, resort temporarily to the cordon of protection to guard the growth of its infant industries from the blight of foreign competition. In countries not so happily situated, where the people are economically in a backward condition, and as in Japan, China, and India, cannot command sufficient private enterprise to work their way to a higher order of life, Government has a task of greater difficulty and responsibility, for it has to help the nation to help itself by undertaking the entire organization and direction of national energies in a way to fit them to stand on their own independent footing. This it can only do by fostering every variety of occupation which the physical conditions of the country and a parallel co-ordination of industries may render possible and profitable in the present or in the immediate future, with a view to complete and perfect the system of national production, create the growth of capital and enterprise and train the nation by practical and scientific education for a higher type of social and industrial life. This responsibility in the case of backward nations is made more burdensome when a foreign civilizing power has the control of the nation's destinies The ruling authorities in this case have to keep jealous watch that their policy is regulated, not by the interests of the foreign race that is permitted to rule over backward countries, but by a due and scrupulous consideration of the interests of the people committed to their charge.

In its commercial policy, as well as in its action in carrying out material improvements, the State in this case acts only as the representative of the united strength of the community, and is bound to see that its conduct is not dominated by influences adverse to the national welfare. If it adopts Free-Trade principles to regulate its commercial relations with foreign countries, it must be from a conscientious regard to the good of the people whose trustee it is, and never for the sake of the foreigners. So, also, with respect to industrial improvements it undertakes, it is bound to see that such works shall not pass into adverse possession, to the permanent injury of the nation's interest. It is bound to keep in its own hands both the management of, and the proprietory interest in, such works, till it can hand over either or both to the nation itself. A foreign govern-

ment stands in special need of greater firmness and caution in this respect, lest the foreigner should seek to deflect or distort its action for his own selfish ends. In countries like India, so situated as to require vigorous State-interference, the field of industrial improvement, unoccupied and available for enterprise, must be almost unlimited and varied; and when the State, commanding superior resources, steps in only because the nation is not prepared to take it up for itself, it must never forget that it steps in only as the nation's representative, and is justified in holding it, only as a sacred national trust. The field itself, whether occupied or not, belongs to the nation itself, and to nobody else under the sun. It is a national possession, or rather a national heritage in which the present generation has only a life interest; and no Government, whether native or foreign, has a moral right, with or without the consent of the present generation, to alienate it or any part of it to the foreigner by mortgage or sale or gift. It cannot obviously do so without sacrificing the permanent interests of the nation. Even if the present generation does not perceptibly suffer by such a transfer of the industrial field to alien hands, posterity must suffer and grievously too. Coming generations will find the field occupied by alien enterprise and will be virtually *expatriated* in their own home. Every consideration, therefore, of prudence and justice alike dictate that the action of Government, in such circumstances, shall be thoroughly national in its aims, purposes, and principles of execution. It might employ foreign talent for the prosecution of such works; it might borrow foreign capital for the purpose. But it is on no grounds justified in bringing the foreigner with his talent and capital into the country, and suffering him to appropriate permanently the national field of improvement, to the exclusion of the native element, and forming the nucleus of a domineering foreign aristocracy in the land with purposes and interests adverse to those of the nation—a result which cannot but be regarded as at once a serious political danger, and a great economic evil. Further, the whole economic action of the State must be so shaped, in all circumstances, as to gradually pave the way for an eventual transfer of the work of carrying out material improvement to the people themselves, for whose sake it is undertaken only temporarily at a certain stage of their progress. For its own relief, if for no other purpose, the State should seek to train the nation to the task by admitting it to a gradually increasing share in the management of such works of public improvement. Such preparation of the nation for occupying the field for itself is

a sense a necessity. It is not possible for any Government, however strong and active, to keep its hands for ever burdened with so onerous a function, assumed in addition to its own proper work, which must every day grow more complicated and difficult, without serious inconvenience, or continue discharging it for all time with any fair amount of efficiency. Nor, again, is it just on higher grounds of political ethics, to keep the nation in a condition of perpetual pupilage by a permanent monopoly of the work which is peculiarly its own, and which it has a right to manage for itself, independently, or to disable and disqualify it by enforced inaction under an exclusive system of foreign management. Such a course would not only be inequitable, but fatal and suicidal.

Now if this conception of what ought to be the aim, the objects, and the principles of the economic action of the State be not incorrect, it furnishes a stand-point from which to examine the whole economic policy of the Government of India, and a criterion by which to judge of the results of its Public Works administration which is but a branch of it, including of course, the effects of past Railway extension on the material progress of the country.

The Public Works policy of the Government of India was first formulated by Lord Dalhousie, under whose administration the proposal of a separate Department for the promotion of Public Works undertaken on Government account, or with Government guarantee, was carried out. Lord Dalhousie's scheme of Railways embraced the whole of India, and the lines sketched out by him fulfilled the rare condition of occupying not merely the great trade routes, but what was of more consequence in his eyes, the great military roads of India. Strategic more than commercial considerations predominated in his mind, and with his usual extravagance, when a new idea laid hold of him, he gave it effect with all the force of his masterful energy. It was Lord Dalhousie's dream to strengthen the domination not only of English rule, but of English trade and commerce in India, and the permanent interests of this country were subordinated to this all-engrossing ambition. The contemporaneous rise of the school of Free Trade in England, and the great reputation which its apostles enjoyed, furnished the metaphysical ground-work for this essentially selfish and grasping policy. The value of India to the British nation was measured by the quantity of raw material which the resources of Indian agriculture enabled it to export for the feeding and

maintenance of the Lancashire manufactures. India was to devote all its energies to raise the raw exports; and canals, Railroads and improved communications were to be pushed on at any cost to facilitate the export of raw articles and the import of English manufactures. India's own industrial needs were of comparatively no consequence. The annexation of the resources of India was to be completed at all hazards, and at any sacrifice. These were the predominant ideas of the time, and they have not lost their hold on the minds of the rulers to this day. A splendid opportunity for fruitful State activity was thus thrown away, and abused by aggravating the naturally unfavourable conditions presented by the free contact of the two countries. So far as this result was inevitably due to natural conditions, we have no fault to find with Government. But surely it was not a legitimate exercise of the State's parental functions to help with Indian resources the one country which needed no such help, at the cost of paralyzing its great unfortunate dependency, whose salvation from its depression of ages depends upon its industrial growth in all directions. The abuse of State functions in this connection has been carried to a dangerous extent already, but even now it is not too late for a change. Now that its consequences are so fully evident, it behoves the Government to pause, and retrace its steps, and check the further growth of this evil. The extent of the mischief that has been worked already is admitted by the more keen-sighted of English statesmen, and is witnessed to by the ghastly spectacle so recently witnessed of a condition of things when six millions of people died during a single year of scanty rain-fall, notwithstanding an expenditure of sixteen crores of Rupees on the part of Government, and when, as Dr. Hunter admits, one-third of the population lives from hand to mouth on a single meal a day. And yet Government professes itself to be powerless to raise its little finger to stop the drain, or divert it into less exhaustive channels. It cannot undertake to subsidize native industrial growth, or stimulate local manufactures without exposing itself to the fire of Free-Trade fanatics, and the opposition of the vested foreign interests which it has created. As every-body knows, the duties on imported goods had to be removed, at a great loss to the public revenue, to satisfy the demands of Manchester traders, long after these duties had ceased to be protective. The Government of India's recent attempts to stimulate local manufactures have been paralyzed by the silent opposition of these same agencies.

Speaking of protection as a possible policy, Mr. Justice Cunningham writes "In India and its Rulers" at page 229, as under:—

"Some obvious means which suggest themselves for the promotion of local industries, whatever be their intrinsic merits or defects, are, from the special circumstances of India, out of the question. The powerful interest of the English manufacturers, sorely pressed by the disadvantages under which the protective tariffs of other nations place them, will assuredly at all times render it impossible for any Government permanently to permit in India any Customs arrangements, which would give the Indian manufacturer an advantage over his European rival."

The chief object which the Government of India had in view, in shaping its economic policy, seems thus to have been *not* a normal co-ordination of industries, which is the very life-blood of a nation's material well-being, but the development of the one industry which was most conducive not to the growth of India, but to the prosperity of the manufacturing interests of England. Government action has been chiefly directed to help the improvement and expansion of Indian agriculture, by carrying out schemes such as irrigational canals, calculated to promote increased production, by facilitating the distribution of agricultural produce by a net-work of roads and railways, but above all by securing a perfect freedom of international exchanges through the development of a commercial policy based on Free Trade principles.

The authors of this economic scheme had apparently no conception of the ulterior tendencies of a line of action based on such grievous misapprehension of the real wants of the country. When Lord Dalhousie proposed to cover the country with a net-work of roads, railways and canals, and when his successors, while pursuing the same policy, adopted the Free-Trade principles in all their radical thoroughness, they seem to have had no idea that their one-sided action, directed with such remarkable vigor, in favour of a single industry,—which does not admit of varied and unlimited expansion so as to meet the growing wants of a growing population, and which depends for its success, less on human skill and the aid of scientific appliances, and more on causes over which man has no control,—would have indirectly, at no distant date, a disastrous effect on the other industries of the nation. They evidently did not see that this radical policy would have the effect of stamping out these latter industries in

an astonishingly short space of time ; nor, again, had they any idea that their railways, intended to accelerate the economic advance of the country, would have, being unaccompanied by other and more useful measures, the opposite effect of drawing the nation down a fatal inclined plane to the verge of bankruptcy and ruin, and driving millions to live up to the margin of scanty subsistence, so that the more touch of famine would carry them off by thousands.

Before proceeding to consider in detail the disastrous effects which have followed in the train of this expansion of public works expenditure, it will be of use to digress a little, and trace the history of the fiscal reforms which have been undertaken by Government during the last 40 years, and which represent the negative side of the same policy of subordinating Indian interests to the necessities of English manufacturers and traders, of which the positive side is represented by the one-sided development of Public Works. More than 40 years ago the internal traffic of the country, which till then had been burdended with numerous tolls and customs duties, was liberated from these restraints. The inland customs duties were abolished in Bombay in 1837, and in 1844 the town duties called Mhotarfa were repealed. This reform was carried out in Bengal in 1836, in the North West Provinces in 1843, and in the Punjab in 1849. As a branch of the same reform, and carried out about the same time, the freedom of interportal traffic was established by the abolition of coasting duties in 1848. When the internal trade was thus liberated, the Government turned its attention to the duties on foreign trade. So far as this reform related to export duties, the action of Government was perfectly defensible. Extended foreign trade necessarily means extended employment of domestic labour. Heavy export duties on articles, of which this country did not enjoy the monopoly, diminished India's hold upon foreign markets, and even where India did possess an appearance of monopoly, such duties encouraged foreign countries to find out substitutes, and as in the case of salt-petre and indigo, such duties destroyed the export trade in these articles. Act VII of 1859 first initiated this reform by the abolition of duties on raw silk and tobacco. Act VII of 1867 gave further effect to the recommendations of the Tariff Committee in the same direction, and Act XI of 1882 abolished all export duties, except the heavy duty on rice grown in British Burmah. The beneficial effects of such legislation are no-where better illustrated than in the expansion of our wheat trade which commenced in 1873,

and in ten years has risen from 4 lakhs to six times that amount—24 lakhs cwt.—of wheat exported in 1882.

The abolition of export duties prepared the way for the agitation carried on by Manchester during the previous 25 years for the repeal of the import duties, which, however, it is needless to state, stood on an entirely different footing. As early as 1848, this agitation was commenced in England, but the Government of the day felt itself unable to make any concessions by reason of the heavy pressure on Indian finance caused by Lord Dalhousie's policy of annexation. The mutinies followed, and Lord Canning was also not able to give effect to Manchester views. In 1859, while the export duties were lowered all round, the import duties were actually raised, and under instructions from Lord Stanley, 10 per cent *ad valorem* duties were levied upon cotton piece-goods imported, and 20 per cent duties were levied upon foreign perfumery and jewelery. This was too much for Manchester patience. The agitation gained strength, and Mr. Wilson was sent out from England to guide the policy of the Indian Government in a way more consonant with the views of English merchants. Act X of 1860 abolished the duties on imported machinery, and reduced the 20 per cent duty noticed above to 10 per cent. The same policy was carried out by Act XI of 1862, XXVI of 1863, XXIII of 1864, XXV of 1865, and XVII of 1867, till the 10 per cent duty was further lowered to 7½, and in the case of cotton goods, to 5 per cent. In 1879, these duties were still further reduced, and in 1882, all duties on imports were abolished. When it is remembered that even in England, the home of Free Trade legislation, heavy customs duties on imports are levied to this day for revenue purposes, the revolutionary character of the changes made by successive Finance Ministers, at an estimated sacrifices of nearly 2 crores of Rupees levied as revenue chiefly from the well-to-do classes, will be easily perceived.

The true character of the change brought about by the abolition of these inland, inter-portal, and customs duties on foreign trade, and its effects upon the economic condition of the country, has now to be considered. The abolition of the inland and town duties was brought about under circumstances which necessitated the increase of the salt duty all round, to fill up the gap in the revenues. More-over, since 1860 these same duties have been revived in the shape of Toll duties on Roads and Bridges constructed by Government, and the Municipal Octroi duties. These two classes of imposts, being substituted for the

old duties, have in a sense minimised the relief which Government originally intended to afford to internal trade. As a question of principle, it may be fairly urged that the original policy of Government in this connection was adopted without due allowance being made for the circumstances of this country. Each large province in India raises all the food and raw produce it requires for domestic consumption, and stands in little need of raw imports from its neighbouring provinces. What little is required in this way is supplied by foreign trade, and these foreign imports mostly meet the wants of the well-to-do classes. Internal traffic therefore may well be regarded as a continuation of the international traffic, and as such its liberation from inland duties has only helped the foreign trader, and has not stimulated inter-provincial exchange in indigenous products. In regard to the abolition of duties on foreign trade, we think it was Sir John Strachey who observed that "there is no country in the world in which the fullest application of the principles of Free-Trade is more desirable than it is in India, and that from its poverty, the primitive and monotonous condition of its industries, and the peculiar character of its political condition, India requires from its Government before all things the most economical treatment of its resources, and therefore the greatest possible freedom of foreign exchange." This official opinion was concurred in by Sir Evelyn Baring, the successor of Sir John Strachey, and in fact it represents the orthodox view of nearly all the Finance Ministers who have shaped our fiscal system during the past twenty-five years.

Notwithstanding this concurrence of opinion, we take leave to doubt whether these measures have really benefited the country in the way intended by their promoters. In the first place, the total remission of these import duties involved the surrender of nearly two crores of revenue, contributed mostly by the well-to-do classes, and the subjects of Native States, who are the largest consumers of the foreign imports. India in its present circumstances could ill-afford this large sacrifice, and, as a matter of fact, Government has been obliged to resort to fresh taxation in the shape of the famine insurance fund. Even if it be admitted that India could afford this sacrifice, these duties ought to have been preserved as a financial reserve, and relief ought to have been afforded by still further lowering the pressure of the salt tax, and the stamp duties, or the export duties on rice. It was his perception of the true nature of these import duties which led Lord Northbrook, from a rare sense of duty and a generous solicitude for the true

welfare of this country, to resist English pressure, and resign his post rather than be a party to such a surrender.

Secondly, in the interest of India's material development, the abolition of these duties has worked mischief in that it has exposed to the unrestricted competition of the world the rude and undeveloped industries of the country. These duties were not, as in England, levied upon raw products, but upon finished articles such as cotton, silk and woollen manufactured goods, and wrought metal. These imported articles were all of them machine-made, and necessarily displaced the hand-made products of native skill. This displacement was to a certain extent inevitable, but Government, as the protector of national Indian interests, should not have gone out of its way to stimulate this process of the violent disintegration of important industries in this country. It was its duty so to stimulate the organization of native capital as to bring about this displacement in the natural course of things by the substitution of organized native agency in place of the rude and single workers in hand labour. This it could easily have done without any dereliction of its other duties. By encouraging technical education, by continuing protective duties upon all articles in which the foreign manufacturer competed with the native producer, by allowing subventions for a few years to intelligently organized efforts of native capitalists to establish new industries, Government would have enabled the manufacturers of India to retain their hold on the local markets. This displacement of domestic manufacturers means the throwing out of employment of a large number of skilled artisans whose occupation was gone, and who have been thereby forced to compete with the poorly paid agricultural labourers. It further involves the destruction of co-ordinate and independent industries, which in all self-dependent communities, constitutes the very life of varied and well-balanced national economy.

Nothing in our opinion is more fallacious than to suppose that an increase in the import trade of finished articles implies the development of national prosperity. Every increase in the import of raw materials to be manufactured in the country, which is the characteristic feature of British trade, does imply the creation and prosperity of national industrial life. The reverse operation in India constitutes a serious and growing danger, which threatens to those who can read the signs of the times its economical and industrial death. Large numerical totals blind men to the true character of this operation. People

point out with pride to the fact that, in the course of fifty years, the imports have risen from six to sixty crores of Rupees. To enable our readers to understand the true character of these figures, we append below a table showing the growth in the import of manufactured goods during the last 25 years.

Articles.	1859-60.	1870-71.	1881-82.
	£	£	£
Woollen goods ...	3,58,557	5,82,339	12,76,263
Cotton goods ...	1,16,98,928	1,90,44,869	2,40,00,237
Metal	4,54,457	8,5[illegible],319	27,72,178
Sugar	2,20,270	5,55,801	12,43,758
Umbrellas ...	1,36,670	Not available.	2,09,572

These figures show what displacement has occurred in the consumption of the chief manufactured goods of home production. It cannot be maintained for one moment that India did not clothe itself in cotton or other fabrics in times past. As a matter of fact, India did not only clothe itself, but even so late as the first quarter of this century, it exported its fine muslins to Europe in large quantities, and even to this day the raw material of cotton and wool is exported in larger quantities than the imported goods. Those optimists, who infer the growing prosperity of India from the expansion of its foreign trade, forget that this expansion means only so much displacement of indigenous manufactures, a consideration which greatly detracts from the value of this trade from the Indian point of view. Mr. Seymour Keay has, in his second article on the "Spoliation of India", estimated that the extent of this displacement is measured by no less a sum than 27,50,00,000 Rs. the value of the imports of cotton and other goods, and 12,50,00,000 Rs. of metals and other articles. To the extent therefore of nearly eighty per cent of the full value of imports, and a corresponding amount of the exports, the foreign trade of India does not represent the creation of a new and effective demand, but is merely the substitution of foreign for home manufactures, and the destruction of the co-ordination of industries so essential to national well-being. A little judicious protection to local manufactures, and a little encouragement in the way of technical education, would have easily enabled India to displace its rude hand-made goods by improved machine-made articles.

When such protection was for a time enforced upon an unwilling Government by its financial necessities, Indian capital organised itself, and put forth its energies in the manufacture of cotton and other goods. In 1882 there were 62 cotton Mills and many times the number of cotton presses and gins, 3 silk manufacturies, 14 tanneries, 14 iron and brass foundries, 12 sugar refineries, 4 soap companies, 4 paper mills, 68 collieries, and a large number of jute companies in Bengal. This infant development needed all the care the Government could bestow, and such care would have rewarded it manifold for any sacrifice of present revenue it might have been called on to make on this account. It does not speak well of the benefits conferred by such a rule as that with which India has been blessed for more than a century past, that even where native capitalists have embarked their capital in such enterprises, they are not able to command native skill of management, but find it necessary to import foreign talent and skill. With a partial exception in Bombay, these new industries are all managed throughout by European skill, thus giving the foreigners a monopoly of the advantages reaped, over and above their natural monopoly as shippers, and carriers and insurers. Even in those departments of money dealings where the native has a natural claim to succeed, European enterprise has driven out native talent. We refer here to the banking enterprise of the country. As many as 323 banking companies have been established in this country since 1861, and 140 of these establishments are in active operation to this day. All these are managed by Europeans, though their dealings are for the most part with native customers, and their funds are derived to a large extent from native depositors. The extent of the success of these companies measures the displacement of native capital and organising skill from this most lucrative business, which, be it remembered, requires no machinery or steam power to set it in motion.

In short, the extension of the import trade in foreign finished manufactures, which has been the aim of successive Governments in India, has thrown out of profitable employ native skilled labour, and displaced native organising talent, from a variety of occupations in which 50 years ago there was no competition, and the once thriving industrial classes have been reduced to a dead level of precarious and subordinate existence, dependent upon the resources of inferior service, or the least remunerative agriculture.

In the face of these results, it is the duty of Indian statesmen to consider whether it is safe or just to allow such a state

of things to continue to the permanent paralysis of Indian industry, and whether the State, which has taken upon itself the direction of national activity, should not take precautionary measures to prevent such a lamentable collapse, by putting new life and vigour into the decaying system. Already the Famine Commissioners have estimated that more than 80 per cent of the population is agricultural. Such a result is the legitimate outcome of the disappearance of diversity in employment caused by the pressure of unrestricted European competition. If the abolition of foreign customs duties had really benefited the nation at large, and created and enlarged the effective demand of foreign imports for domestic consumption, such a circumstance might have furnished an argument in favour of the policy pursued by Government. As a matter of fact, however, the difference between imports and exports has gone on increasing from seven crores to twenty-three crores in 50 years. Fifty years ago, the imports were 7 crores, and the exports 13 crores, while the corresponding figures for 1882 are 60 crores and 83 crores respectively. This excess of 23 crores of exports brings no commercial return. The whole value of the annual production of India has been estimated by the Famine Commissioners at 350 crores of rupees. On the most favourable estimate, the profits on the total production at 12 per cent should be about 40 crores, the rest of the capital can only replace itself from year to year. In other words, more than half the net profits of national production are thus absorbed by the excess of exports, for which there is admittedly no commercial equivalent return. This increase in the exports is thus not a voluntary operation, but has been forced on by increased foreign expenditure, interest on foreign loans, and increased remittances. We have thus, over and above the displacement of varied industry, an increased drain on national resources brought on by direct State action in the financial and industrial management of the country.

We are prepared to admit that to a great extent these results were inevitable in the circumstances in which this country has been placed. Even if the Government had not helped this disintegrating process, British merchants and British manufacturers would have asserted their predominance, and eventually monopolised the field afforded by the consumption of 250 millions of the inhabitants of this country. But unassisted by Government, the process of displacement would have been more natural, if not slower, and the drain on our resources more gradual, so as to allow a much longer breathing-time to the nation to collect its strength, and stand up in the fight. Our complaint is that

in manipulating its customs tariffs, Government has gone out of its way to strengthen the strong, and burden the weak rival. By abolishing import duties, it has helped foreign trade, and as this help could not be continued without a sacrifice of revenue which it could ill afford to make, the State has imposed direct taxation to fill up the deficit. The salt duties were increased enormously when inland duties were first abolished, and latterly we have had the land assessment, the stamp revenue, the excise duties, the licence tax, and other direct imposts increased, or levied a-new, to make both ends meet. This substitution of direct for indirect burdens has only relieved foreign traders at the expense of the nation, and to this extent Government has given a bounty to the foreign merchant, and sacrificed the interests of the domestic producer.

As if the negative action was not enough, Government has in its Public Works policy gone further in the way of positively subsidising the foreign carrier, producer, and importing merchant, by undertaking to facilitate the transport of goods by the construction of guaranteed or state railways. Lord Dalhousie's scheme of Railways was, as we have observed above, intended chiefly for strategic and military purposes, but the lines sketched out by him were also good commercial lines, running parallel as they did to the great trade routes and trunk roads of the country. So far as these lines were dictated by political and military necessities, they do not fall within the scope of our present observations. They had to be constructed at any cost, and constructed they were at a frightfully heavy cost. We have to consider the policy of Railway extension in its commercial and industrial bearings, and viewed in this light, the policy of the Government of India must be judged by severer standards than those which find favour with official apologists. The comparison with American enterprise in this connection is for obvious reasons not to the point. We can urge no objection to Railway expansion if it is developed, as in America, by independent private effort. Even to this day all experiments to float Railway projects on the American plan in India have, notwithstanding the liberal encouragement which Lord Ripon and Sir Evelyn Baring were prepared to offer, failed to induce private English capitalists to undertake Railway extension unaided by material guarantees from Government. Only one line in the Lower Provinces of Bengal has been so taken up, all the other companies have stipulated for a fixed guarantee, either for a short number of years, or for long terms. The only advance we have made is that, instead of this

guarantee being as high as five per cent allowed by Lord Dalhousie's Government, the Government of India can at present secure the co-operation of private companies with a 3½ or 4 per cent guarantee, and a share in the profits. It is useless to recall the past mistakes, but now that, with the sanction of the Parliamentary Railway Committee, the Government of India is being urged on by English capitalists and iron-masters to embark on the same lines in fresh enterprises without any limit to the annual expenditure, it behoves those who fully realize some of the mischiefs which have already resulted, and which threaten to be greatly aggravated in the future, to discuss calmly the principles on which this one-sided development is advocated, and to take stock of the probable economical results of further persistence in this course. We do not hope that any thing we can urge against the current *doctrinaire* views which find favour with Government can lead to any immediate result, but none the less do we feel it to be our duty to give expression to native public opinion on this important question. Already Mr. Slagg has raised his warning voice, and the Under Secretary of State has also, in his place in Parliament, given utterance to a feeling of responsibility, which can not but act as a brake on the forward policy. Independent thinkers like Mr. Connell have also anticipated the views of native publicists, and it may well be hoped that, if the people of this country would make their voice heard in Parliament, a great deal of the mischief apprehended may yet be averted. The question before us is not whether more Railways should be built or not. It is rather whether the State should, more freely than before, and at the risk of unduly burdening Indian resources, undertake to subsidize foreign capitalists with a view to secure five thousand miles of new Railways within the next five or six years. This question can not be properly answered without giving a thought to the economical and financial results of past State action in this connection.

Colonel Stanton's Report on Indian Railways for the year 1882-1883 gives the following particulars in regard to the existing system of railways. Including the East Indian Railway, which has been recently purchased by Government from the Company which constructed and worked it for 25 years, the guaranteed railway lines, extending over 6204 miles, have cost in original construction and repairs nearly 106½ Millions of pounds, or nearly 17000 £ per mile. The interest on the capital advanced is nearly 5 Millions of pounds. The net traffic receipts, after deducting the expenses of management, come to

about 5,650,000 £. The excess of net receipts over the interest charge is thus, taking all the guaranteed lines together, about 650,000 £. Some of these lines have paid surplus profits since 1877-78, but considered in their financial bearings as burdens on the State's resources, this small surplus of 650,000 £ on an expenditure exceeding 100,000,000 £ can hardly be considered as very satisfactory. Excluding the East Indian Railway, which is no longer a guaranteed line, the net traffic receipts of guaranteed railways still fall short of the interest charge which Government has to pay, to the extent of 231,000 £. For the whole period of 25 years, the arrears of interest paid by Government to the guaranteed companies have reached a total of 32½ millions. This sum must be added to the amount of capital expenditure, and would, when so added, raise that amount to nearly 140 millions of pounds. The value of the land which the State gave free of charge to the companies is not included in the capital account. So also the loss by exchange incurred by Government, in consequence of the interest amounts being made payable in gold to English holders of Railway stock, has not been included. Making these additions, the capital amount of expenditure comes to nearly 150 millions of pounds ; and calculating interest on this sum, the net receipts fall short of the interest charge by more than two millions of pounds.

The next class of railway lines are those undertaken by the State on its own account from borrowed funds, or, as in the case of frontier railways, from advances made out of current revenue. About 3000 miles of State railways have been thus opened for traffic at an expenditure of more than 35½ Millions of pounds. The interest charge on this sum exceeds the net traffic receipts by nearly 760,000 £. These State lines are mostly on the narrow guage, and the charge of construction per mile is 9000 £, or nearly one-half the charge of the broad guage guaranteed lines. As in the case of guaranteed lines, the arrears of interest paid on borrowed capital exceed more than 4½ Millions. If this charge were included in the capital expenditure, and the value of the land taken up and the loss by exchange be added, the total would be nearly 45 millions, and the net loss to the State, represented by the excess of interest over the receipts, would, nearly be 1,000,000 £. Taking the guaranteed and State lines together, we have thus an expenditure of 142 millions upon nearly 10,000 miles of railways, and during the last 30 years Government has, besides the land

given free of charge, and the loss by exchange, paid 38 millions for arrears of interest.

These figures take no account of the lines constructed by Native states, as also of the so-called protective lines constructed out of the famine insurance fund. It will be seen from these details that the railway policy of Government has not resulted in financial advantage to the Indian Government. This consideration should have great weight at the present time when Government proposes to spend 30 Millions more in the next few years upon 5,000 miles of new railways. So far as the lines hitherto constructed were dictated by military or political considerations, the question of their financial solvency or otherwise is one only of secondary importance. But now that this policy is about to be still further developed, this question of commercial and financial success cannot be so lightly disposed of. The economical results of the railways undertaken by Government when fairly considered, do not appear to us to justify any further indifference to the considerations which hitherto have been kept in the back-ground by higher needs. Looking at the matter from the Indian tax-payer's point of view, it is clear from the figures given above, that the Government of India has, during the past 30 years, spent nearly 40 millions of rupees in paying excess interest upon the capital advanced, besides another forty millions sunk by it in the State lines, built out of money borrowed, or saved from the revenues. Looking only at the payment of arrears of interest, it follows that Government has paid every year between one and two millions of pounds as subsidy to help the foreign trade of the country. Although this payment was not made directly to the British exporter or manufacturer as a bounty to encourage the shipment of foreign manufactured goods to India, it had the same effect as a direct bounty in the displacement of indigenous trade and manufactures. Contemporaneously with the development of railways at public expense, the foreign trade of the country has increased by enormous strides. For instance, Cheshire salt has penetrated far into the interior in its competition with the indigenous article, with every considerable advance in the system of railways. In the same manner, Lancashire manufacturers have been enabled to find increasing custom for their cotton goods, with the result of extinguishing Native manufactures, as the railways have penetrated into the heart of India in all directions. If the railways had been built by private enterprise, unassisted by public funds, or even if they could now be so built without any

such charge on the revenues, no reasonable objection could be urged against the effects of this foreign competition. As a matter of fact, however, they have not been so built in the past, nor is there any near prospect of their being built independently in the future. India is thus asked to make room for the foreign trader by paying him or his country-men a bounty to facilitate his competition with the native producer, and to give him land free of cost, and to arrange that the interest payments shall be punctually made in gold from year to year at any sacrifice, and finally to see with patience the native manufacturer and trader pushed out of his sphere of domestic industrial activity. This prospect is surely not very cheerful, and while admitting that higher considerations may have justified the incurring of these risks in the past, we cannot reconcile ourselves to a further persistence in the same course. It would have been far better, if instead of paying this bounty to the foreign trader in the shape of arrears of interest payments, the Government had diverted its surplus 40 millions to set up industrial organizations on its own account, or encouraged native effort in the same direction by temporary subventions, or allowed the money to remain in the pockets of its subjects to multiply a hundred-fold in useful works. Government has in fact now faced all the risks of pioneering in railway enterprise. It has shown the way, and demonstrated that railways do pay moderately in this country. It must now look to private enterprise alone for further development, and not use its enormous resources to handicap the native producer in his unequal race with the foreigner.

Notwithstanding this financially burdensome and economically ruinous policy of the Government in this connection, the people of India would have had good reason to welcome this diversion of public funds by the State, if the vast expenditure incurred for railway construction had the effect of training the nation by suitable arrangements for their technical education, and liberal association in the management, to take up in course of time in their own hands the new sphere of industrial activity represented by railway enterprise. Unfortu-

nately for this country, this educational aim was not at all regarded either in the scheme of works and the mode of procedure laid down by the Government of India, or in the choice of purposes on which the money was spent. The real wants of the country were subordinated to the consideration of what was advantageous in the interests of foreign trade. The people of India needed above all things a technical training in mechanical arts and manufacturing processes, and pecuniary aid in the shape of State subsidies in starting new enterprises. Above all, they had to be protected from the predominance of a foreign plutocracy, with vested interests opposed to those of the Native producer. None of these considerations have attracted the attention of Government as they deserved. The system of public education, such as it has been set up, is mainly intended to qualify native youths for inferior service in the State departments. The scientific branches of the service are all but sealed to the natives by reason of their education not fitting them to take their natural place in mechanical and engineering enterprises. The subventions were paid to the foreigner, and in consequence of these State guarantees, a powerful foreign aristocracy of stock-holders has been created with interests adverse to the nation. It is not to the point to urge in justification of this last measure that many European countries, and America also, have borrowed the help of English capital and English agency to execute their railway works. In none of these countries, however, has the State pledged national resources, and though private companies have raised their capital in England, it was only for a temporary purpose, and already both Russia and America are buying in their own stock, and restoring the disturbed balance of national exchanges. Such a relief [illegible] been to a poor country like India which finds not only its [illegible]ate, but public, credit mortgaged irrevocably to the foreigner. The result is that, after 25 years of continuous State direction, the natives of the country are as unfitted to take up this work of railway construction or management, as ever they were when Lord Dalhousie first sanctioned the proposal of covering India with a net-work of railway lines. The railway establishments

in all the higher grades are a close preserve for the foreigner and even the lower duties of collecting or clipping tickets are ent rusted to other hands than those of the natives of the country. A few native guards and drivers and fitters are all that the companies can show in the way of training natives for higher work, and the position and status of these people are anything but comfortable. The companies can hardly be blamed when, the lines owned by the State show no better example. Anglo-Indian writers like Mr. Justice Cunningham proudly boast that "the great enterprise in which 162 millions have been laid out in railways, canals, and telegraphs, has been due wholly to State *i. e.* foreign intervention. It was conceived and elaborated by Government officials, and though the companies are entrusted with their management, the whole motive force throughout has been supplied by the State," which, in other words, again means the foreigner. Everything for the people, and nothing by the people, this was the maxim of the great Napoleon, and in no country in the world has it been more vigourously carried out than in India, where the foreigner does everything for the people, who look upon all that is done with rustic amazement.

A more minute consideration of the various plans adopted from time to time by the Government to give effect to the policy laid down by Lord Dalhousie may not be here out of place, especially as there is reason to apprehend that the tide of English public opinion is again, after a temporary re-action, running high in favour of guaranteeing private companies. The Government of Lord Dalhousie was as anxious as the present Government of India is to entrust the construction of railways to private agency. No private company however would undertake the work without important concessions. The concessions demanded at first were that the lands required should be given free of charge. The company's lease should extend to 99 years, that power be reserved of purchasing after 25 or 50 years at the mean value of the shares for three previous years, and above all 5 per cent interest should be guaranteed, and in return the surplus, *if*

any, was to be divided equally till the payments of interest made by the Government had been recouped. After 25 years, we find that English capitalists are still as diffident as ever of risking their money in Indian railway enterprise, and all the advantage which Government has secured consists in the reduction of the guaranteed interest from 5 to 4 or 3½ per cent. The guarantee system, it need hardly be said, is the most recklessly expensive method of encouraging foreign capitalists. Under this system, the cost of construction per mile has been about 16 or 17 thousand pounds. There was no motive for economy, as Government had to pay the bill. The power of purchasing railways before the full term of 99 years expired was, under these circumstances, of no great advantage. The power of control and supervision was also nominal. The interest of the railway companies at head-quarters has often-times proved too great even for the Government of India, which had on many occasions to solicit the London Directorates for a remission of rates, and, as in the famine crisis of 1877, this solicitation was often unsuccessful. Over and above the evils represented by this extravagance and want of control, the absence of unity in management was felt by Government to be a serious hindrance in the success of its military operations, especially on the frontiers of India. These considerations created a re-action in 1870 in favour of State agency. The net results of the work done from 1853 to 1870 by the guaranteed Railway Companies will be seen from the following statement:—

Name of Railway.	Length open in 1870.	No. of passengers conveyed.	Goods traffic. (tons)	Gross receipts. (£)	Net earnings. (£)	Capital outlay at close of 1870. (£)
East Indian.	1,354	5,351,329	1,240,104	2,753,932	1,549,627	30.141,971
Eastern Bengal	112	1,324,907	191,169	178,092	78,905	2,747,10
Oudh and Rohilkhand ...	42	354,292	27,337	24,583	6,978	1,431,404
Sindh, Punjab, Delhi ...	647	1,971,409	280,780	520,455	123,790	9,996,311
Madras.	711	2,105,566	344,119	493,213	233,520	9,455,866
South Indian	186	863,527	74,284	74,480	278,107	1,565,050
Great Indian Peninsula	1,161	3,326,021	972,579	1,659,847	627,317	21,200,920
Bombay, Baroda and Central India.	312	2,555,848	261,500	493,098	164.572	7,395,926
	Miles.	No.	tons.	(£)	(£)	(£)
Total.	4,525	17,852,899	3,391,872	6,197,700	3,062,816	83,934,548

The net charge in 1870 to the State on account of the guaranteed lines was. (including about 30),000 £ representing the loss by exchange and the value of land), nearly two millions. The development of the foreign trade of the country due to the facilities afforded by railways was as follows :—

Year.	Imports.		Exports.		Total.
	Merchandise. £	Treasure. £	Merchandise. £	Treasure. £	£
1852-53	10,070,862	6,831,378	20,464,633	1,055,230	38,422,103
1869-70	32,927,520	13,954,807	52,471,376	,042,353	100,396,056

From these figures it will be seen that the new railways had a most important effect on the volume of foreign trade. When it is remembered that the guaranteed railways were foreign monopolies, subsidised by the State for years together to the extent of nearly 2,000,000 sterling, it will be at once admitted that the remarks we have made above in regard to the protection afforded by the State to foreign enterprise are amply borne out by these results.

As stated above, the evils of the guarantee system led Lord Lawrence, on the eve of his retirement from office in 1868, to suggest the expediency of substituting direct state agency in the development of state railways, and on the strength of this recommendation a change of policy was brought about between 1868-70. From this year, and for ten years after, the State borrowed on its own credit vast sums for Railway construction. This plan of direct state construction was in some respects a decided improvement upon the guarantee system. It is true Government had to pay interest to its creditors in England, but the rate of this interest was never so high as five per cent. More ver, the management remained in the hands of a State organisation, which secured a complete unity of purpose, and greater responsibility to local opinion. Lastly, the surplus profits, if any, belonged to the public treasury, instead of being shared, as under the guarantee system, with private companies. Above all, no powerful foreign vested interests were created adverse to the interests of the people. Against these advantages, the usual draw-backs of departmental action, and control by a central Bureau, were found to entail consider-

able disadvantages. There was but little direct incentive to saving or economy, while uniformity and mechanical supervision ensured less efficiency in management, and the works taken up were too often interrupted or starved for want of funds, and diverted elsewhere by a change of policy or management. The inconveniences attendant upon this system of centralized State action could only be properly remedied by decentralising Railway management, and handing over to the different provincial and local authorities the power of initiation and management, and thereby interesting local knowledge and enterprise. Some steps in this direction have been recently taken, but as yet no definite change of policy has been inaugurated. The plan followed in America of assigning a certain proportion of the cost of new Railways to the town communities, and allotting unowned town-lands as security for this payment, is not feasible in this country, where unowned waste-lands do not exist, but some modification of the American system may be adopted here with advantage by interesting local district boards in the construction of small sections, and by encouraging them to make arrangements with the State to share a portion of the cost, and charge the payment of interest on Local-rates, and in return participate with the State in the net receipts. In the absence of such a provision, lines of state construction are less cheap and efficient than guaranteed Railways, while state agency is equally open to the objection that it is not attended by the educational advantage of training the people to take direct interest in Railway undertakings.

As the net results of Railways undertaken by the State between 1869-79, we find that in all fifty-four lines were commenced, chiefly as branch feeders to the guaranteed Railways of the previous *regime*. Against the 260 miles costing five millions a year in construction, which was the annual rate of development under the guarantee system, we had only 218 miles a year, constructed by the expenditure of two or three millions of borrowed capital. These State-lines were mostly on the narrow guage, and the cost of construction per mile was about half the average cost under the guarantee system. In all about 24 crores of Rupees were spent in ten years on the construction of 2118 miles.

After 1879, there was again a re-action in favour of the guarantee system in a modified form. It was found that the powers of the State to borrow large sums for so-called productive public works were practically limited, and the c[illegible]ice of particu-

lar works was not always a happy one. Moreover, the pressure of the famine crisis of 1876-77 diverted all the available resources of the state to famine relief, and the increasing loss by exchange compelled Government to restrict its annual expenditure within two or two and a half millions sterling a year. To supplement the State resources, new taxation had to be imposed in the nature of a famine insurance fund. The Government, under these circumstances, found it necessary to limit its direct agency to protective lines intended to provide for famine ar as. All other lines had to be left to the initiation of private companies, whose assistance was secured upon more favourable terms. The new Deccan Railways, as also one or two lines in Eastern Bengal, are the outcome of this modified guarantee system.

In all, under the three different systems we have noticed above, ten thousand three hundred miles of Railway have been constructed throughout India by an expenditure of 145 crores of Rupees, and the net earnings on these lines exceed at present 7 crores, after deducting maintenance and working charges. About 40 crores have been paid as arrears of interest during the same period, and adding this amount to the capital expenditure, the proportion of net profits is about four per cent. The Railways give employment to about 141,000 natives in the subordinate service, and to abont six thousand Europeans and Eurasians in the higher grades. The influence of the Railway development on foreign trade during the past thirty years will be seen from the following statement.

Years.	Imports. £.	Exports. £.	Excess of export.
1853.	16 Millions.	21 Millions.	5 Millions.
1881.	60 Millions.	83 Millions.	23 Millions.

From these figures it will clearly appear that, while the total volume of foreign trade has increased four-fold, the excess of exports over imports, instead of showing a proportionate decrease, has increased nearly five-fold. It is this excess which represents the indebtedness of the country, and the measure of the tribute paid to the foreign capitalists. The Railway interest represents in fact a vast monopoly in the hands of foreigners.

While their services in facilitating transport, and preventing distress in times of famine, must be frankly accepted as great gains, it cannot at the same time be denied that the parties most benefited are those interested in the foreign trade of the country. This expansion of foreign trade has been a very questionable advantage, as it has disturbed in an abnormal manner the national system of economy and industry. What was wanted in the interests of the nation was that, simultaneously with these facilities of transport, the State should have provided proper economic conditions of varied industrial life in the country, which alone would have enabled it to turn this advantage to national account In the absence of such a provision, this one-sided development has had the effect of paralyzing national activity at its centre.

Industrial progress after all essentially rests on the basis of increased production much more than on that of increased facilities for international exchange. The Government of India has, in its too exclusive devotion to Railway enterprise, lost sight of this fact Increased foreign trade by itself affords no indication of increased domestic production. Trade only *distributes* produce, and does not necessarily in all cases create a new supply. The increase in the volume of the Indian trade has, as we have shown above, simply displaced national industry by withdrawing the artizan population from local industries, and forcing them to resort to agriculture as their only resource. It was no part of the Government scheme to establish a co-ordination of industries by encouraging the dropping manufactures of the country. It is true the Government has tried in a half-hearted way to encourage the development of agriculture by undertaking the construction of great irrigation works. However, its interests as the great land-lord of the country have interfered with its freedom of action, and obliged it to limit its assistance only to the negative forms of help. The magic sense of property, which turns sand into gold, can alone induce the cultivating classes freely to embark their capital in the improvement of agriculture. The Government has all along, except in Bengal, set its face against the concession of permanent rights in the land to the cultivating classes. It is hardly to be wondered at therefore that the Ryot, tilling his land under a system of tenure so insecure, can not fairly be expected to help himself, or improve the soil. This insecurity of tenure is probably the chief cause of the stagnation of agricultural industry in India. The Government has, it is true, spent large sums in irrigation works, but they

are like drops in the ocean of sun-parched land, many million acres of which lie beyond the reach of canal irrigation, and are exposed to constant risks of drought, which might be prevented if they were adequately supplied with wells. Well irrigation constitutes in fact the solution of the agricultural problem. Wells can only be provided by the people themselves, and these they will not be induced to dig unless their enterprise is secured by the concession of a permanent settlement.

Government however, until very recently, would give no such assurance, and confined its direct help only to the construction of large irrigation works. The first work so taken up in hand was the canal in the *Godavari* and the *Krishna* districts, with which Sir Arthur Cotton's name is so nobly associated. This work was undertaken in 1844. The Ganges canal was the next in order of time. It was commenced in 1848, and finished in 10 years. From this time, on the precedent of the guaranteed Railways, the work of constructing canals was entrusted to guaranteed English companies. The first guranteed company was formed in 1848, and was called the Madras Irrigation Canal Company. The Orissa Canal Company was also started with similar help, but it has already collapsed, and the Madras Company also has been very unfortunate in its management. These failures induced Lord Lawrence's Government in 1864 to revert to the plan of the construction of irrigation works by State agency, with the help of borrowed funds. For the next ten or twelve years, Canal and Railway projects were thus prosecuted on the same system by direct State agency. In the course of twenty years more than twenty crores of rupees have been spent upon irrigation works, out of which twelve and half millions were borrowed, and the rest were provided out of current revenues. The net earnings from irrigation works were in 1880-81 one and a quarter crore of rupees, which represents a profit of 6 per cent. The total cultivated area in British India is about two hundred millions of acres. About one-seventh is under irrigation, and of the irrigated area about seven million acres are watered by the canals. This represents a large proportion, although it is clear that there is still much room for extension.

This form of State activity in the promotion of the material wealth of the country has been attended with the happiest results, especially as affording protection from famine. It would certainly have been more appropriate if the Chambers of Commerce in Bombay and Calcutta had raised the cry for more

canals instead of more and more Railways, which has been the burden of their recommendations for the past few years. If more money is to be borrowed for public works, the canals have a prior claim upon the State's resources over Railways. The Famine Commissioners in their report have also stated that, as protective works, the first place must unquestionably be assigned to irrigation canals.

On the whole, as far as this form of State intervention is concerned, there is little ground for complaint, except that other and more important measures ought to have accompanied it, with a view to develope the manufacturing activity of the country. The Government have indeed adopted measures to start new forms of agricultural enterprise, represented by the cultivation of cinchona, tea, coffee, tobacco, and sericulture. The plan hitherto adopted by Government has been to start the enterprise on its own responsibility, and when its success was secured, to hand it over to foreign adventurers. The State has further parted with its rights in the soil by selling its waste lands outright for nominal prices, and creating free-hold estates in favour of the planter class, while steadily refusing to grant the same boon to the Native population. The Famine Commissioners in their report state that they regard these foreign investments and settlements as likely to be of great benefit to the country, and that they will provide new occupation to the labouring classes. We fully endorse this sentiment, except that we object to the arrangement by which these industries and immense areas of virgin soil are permanently transferred into the hands of the foreigners. The planter community represents the germs of a foreign landed aristocracy of the worst sort, for the planters do not settle permanently in the country, but combine in their person all the evils of alien domination, and are at once rack-renting stewards and absentee land-lords.

With all due deference therefore to their views, we join issue on this point with the Famine Commissioners, and think it our duty strongly to protest against this transfer of the State rights to the planter class as simply ruinous to the nation, whose interests it is the bounden duty of Government to guard and promote. If such new industries are in the first instance started by the application of national resources, we submit that it is but just that they should be handed over eventually to the natives of the country, or should be, if that course was deemed impracticable for a time, reserved in the hands of the State as a sacred trust for future transfer in due course to the nation, but,

in no case, should they be given over to the foreigner, who has done nothing to help their growth, or run no risk with respect to them, and has therefore no moral right whatever to get possession of them. Such a transfer of State-created industries to foreign hands is not only an act of injustice to the nation, at whose expense they have been helped into growth, but, taken along with the free transfer of land, is a very high-handed spoliation of the nation's most secure wealth. The foreign capitalist should be at least made to pay the market price when he buys over the concerns, and he should be required to recoup and return to the State, and through the State to the nation, the whole cost of the experiment up to date. When this is not done, he virtually gets free of charge the monopoly of a national field of investment, which it is not in the interests of the children of the soil that he should be thus suffered to get. It is indeed true—and we fully admit the fact,—that these foreign investments give employment to native labour, and that foreign capital laid out in the country is so much an addition to the wages fund,—the effect of which is either to increase the rate of wages, or to provide food and work to an increasing labour-population, which multiplies under the stimulus. This latter effect alone is apparent in India, for the rate of wages shows as yet no sign of substantial increase, and what slight increase in the money rate of wages is perceptible is scarcely proportioned to the rise of prices, and to the fall in the value of money. Apart from this consideration, we put it to the defenders of this policy, whether it is a sufficient return for all this State expenditure that a scanty employment should be provided for native labour. Should we be satisfied with such a result? Is it not at the same time just and necessary that the whole of the profits of these national fields of investment should belong to the nation, either to be occupied, if possible, by the present generation or left open for occupation to coming generations? It is not of course to the import of foreign capital into the country that we object,—we on the contrary heartily welcome its most unrestricted import,—but what we earnestly protest against in the name of national justice, is the action of the State in encouraging and directly bribing the growth of foreign enterprise in the country at national expense by concessions which it refuses to make in favour of indigenous production.

The number of such foreign monopolies in the country is already large, and is on the increase. There is first the guaranteed *railway* monopoly, representing the formidable investment with guaranteed interest of over 150 millions sterling; then

comes the *banking* monopoly with its 140 working joint-stock companies, having a paid-up capital of several crores; and next we have the smaller, but by no means less profitable, investments in tea, jute, indigo, and other concerns. Add to these the *shipping* and *mercantile* interests which together control the sea-borne trade of the country, and we have a total sum of 300 crores of Rupees invested in monopolies created at national expense, and charged on national resources.

After all, foreign monopolies represent so many anti-national interests, and we strongly hold that the growth of such interests in the country, with guaranteed profits, is undesirable both on economical and political grounds. Economically, such a growth intensifies the evils represented by the foreign occupation of so much of the total *national* field of investment, which belongs by every moral right to the nation, and to none else. It amounts in fact to a virtual reduction of the natural heritage and provision for the varied wants of posterity, if not of the present generation. And if it is not intended to convert the whole nation, or the majority of it, into a dead level mass of labourers, hewers of wood and drawers of water, looking to the foreign monopolists to give them food and work, it argues, we think, on the part of Government, a very narrow view of State responsibilities in a country like India, to permit or assist by d rect interference such a result. Politically again, it seems to us that such a growth of foreign interests in the country is a source of grave future danger. It would, no doubt, appear to short-sighted politicians who are easily misled by false historical parallels, to be a distinct political advantage, highly conductive to the stability and strength of British rule in India; for such interests, in their view, would be so many garrisons in the country to defend the British flag in the manner of the Roman *colony*. But it must not be forgotten that these foreign interests represent a strong foreign party in the country, who, themselves irresponsible for the peace and order of it, will ever seek to dominate and distort the action of the responsible Government, with a view to promote their own selfish purposes. John Stuart Mill was right in thinking that, in a dependency like

India, it was the foreign adventurer who must ever be a source of trouble to the Government, and one which would be always difficult to deal with. Lord Lawrence feared the same danger, and in Lord Ripon's time we have seen this calamity realized in all its potency.

State intervention, however, in this direction is as yet limited, and we earnestly hope that before the evil gets past cure, the grievous blunder will be rectified.

Here we conclude this hurried review of the economic policy of the Government of India. As regards the policy itself, it will be clear, we trust, from the foregoing review:

(1) That it is based on a view of the country's wants, in some respects lamentably erroneous, in others only partially correct.

(2) That it is dominated by the influence of Free-Trade doctrines, which do not apply in all their thoroughness to the economic conditions of India.

(3) That the basis of State action is not sufficiently comprehensive, being restricted solely to the promotion of foreign trade.

(4) That its economical results have been very detrimental to the varied growth of the nation's industrial activity.

(5) That a new departure is necessary, on lines which a truer and more statesmanlike appreciation of the wants of the nation would seem to suggest. This new departure must minimize the tendency to create foreign monopolies, must encourage agriculture by conferring rights of property in land, and above all, by the spread of technical education and by the help of judicious subventions, train the nation to resume its old place as the home of arts and manufactures.

OUR SHIPPING AND SHIP-BUILDING.*

Of the many perplexing inconsistencies which characterize the present economic situation in India there is, to our thinking, perhaps none more serious or striking than that which is illustrated in our almost exclusive dependence upon foreign aid in the matter of sea transport. For, although we have already a large and increasing intercourse with foreign nations by sea, we have as yet no mercantile fleet of our own of the modern type, and no ship-building on modern lines as a national industry to support it. Under the irresistible and unresisted impact of Western competition our old national shipping is gone—swept clean off the field—if we, of course, except the small native craft that still remain,—and with it is gone our old national ship-building. We have yet no shipping of our own of the newer pattern—no sailing vessels and no steamships—available for sea-service. The result is, that the transport we have almost exclusively to depend on in our intercourse with countries oversea, is necessarily foreign shipping; and the price we have to pay for such foreign aid is on a rough estimate about 25 crores of rupees a year. Sea-service embraces goods traffic, passenger traffic and the coveyance of the mails.

(1) There is first, our Sea-borne Trade. It is a large and extensive trade and is going up by leaps and bounds. It shows an advance of over 60 per cent during the past 12 years and now (1906-7) aggregates 344·2 crores—Imports 161·8, and Exports 182·3 crores. Our trade relations extend to every quarter of the globe. We have commercial dealings not only with the Asian main-land but also with Europe and Africa on the one side, and with Australasia and America on the other. We send our *gunny bags* and *gunny cloth*, for instance, not only to the United Kingdom and Germany, to Egypt and the Cape, but also to Australia and the far-off countries of North and South America, to the United States, to Peru and Chili, to Uruguay and the Argentine Republic. So, again, we get out *hard-ware* and *cutlery*, *mill-work* and *machinery* not only from the United Kingdom and Germany, but from the United States and other countries as well. Similarly, consignments of *glass* and *glass-ware* come to us from Austria-Hungary and Germany as well as from China, and our supply of *apparel*

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including *drapery*, *millinery*, *haberdashery*, is obtained from the United Kingdom and Austria-Hungary, as also from Japan and the Straits Settlements. But it is worth noting that in respect of both the export and import sides of our maritime trade, it is the foreign shipping that we almost exclusively employ. It is in foreign bottoms, for instance, that we send out to foreign countries oversea the enormous quantities of grain and pulse, cotton and jute, hides and skins that we do year after year; and it is through the same transport agency that we get our annual supplies from abroad of metals and metal-manufactures, of sugar and spices, and of cotton and woollen manufactures. We have no Navigation Act in India—restricting resort to the use of foreign ships in foreign trade with a view to protect and promote Indian shipping and Indian ship-building enterprise,—a Protectionist law—such as England had for 200 years (1657—1849 A. D.); and as a consequence,—other causes of course concurring—we find, we have absolutely no shipping of our own—sail or steam—of the newer design, in our Indian ports, and have, therefore, as a necessity of the position, to throw ourselves almost entirely on the help of the foreign shippers in the matter, paying them whatever freights they think fit to demand for the use of their ships. The rates charged per ton in 1906 were from Bombay to London 13*s*-6*d* for wheat and seeds and 14*s*-6*d* for cotton to Liverpool, and from Calcutta to London 15*s* for rice and wheat, 17*s*-6*d* for jute and linseed, £1-13*s*-9*d* for tea.

(2) There is, next our Coastal Trade. It is also an expanding trade, and consists in the collection of produce and manufactures for export, and the distribution—from port to port—of imported goods. The total value of such inter-portal trade was in 1905-6, 46·37 crores of rupees. Here, too, it is mainly in foreign ships that the movement of goods coastwise from port to port goes on. Goods move from Broach and Bulsar, and from Honavar and Karwar to Bombay, from Puri and Balasore to Calcutta, from Cochin and Tuticorin to Madras, from Akyab and Bassein, and from Mergui and Moulmein to Rangoon, and back, but to the full extent of 85 p. c. and more in foreign vessels. Our *Bagalas* and *Kothias*, our *Padavs* and *Batelos*, ply on the shores, and bravely hold their own, working in their own old ways, as yet without the aid of science or steam; but it is an unequal contest, and their share is barely $\frac{1}{7}$th of the total volume of coastal trade. Nearly half the countries of the World reserve their coastal trade to their own national shipping—including France, Russia and the

United States. Our policy is the policy of Free Trade; and Act XI of 1850—which is still in force—throws the coasting trade of India open to the shipping of all the world freely and without restriction.

(3) Thirdly, there is likewise a good deal of passenger traffic we have by sea. Thousands of Mahomedans go on pilgrimage to Mecca and other holy places in Arabia every year during the cold weather season—in '*pilgrim*' ships, and Act No. XIV of 1895 provides for the regulation of such ships. So, again, some 16,000 persons leave India for employment in the Colonies every year and about 7,000 emigrants return to the country after they have served their term of indenture abroad—in all, 23,000. In 1905-6 the number of persons who left India was 21,125, while 6,945 emigrants returned—28,070 altogether. Besides, large numbers go every year on long or short voyages to ports in and out of India in what are known as Native Passenger Ships (regulated by Act X of 1887). In 1905-6, the total number of such passengers was 2,107,164. The great bulk of passengers voyage only within Indian limits, numbering 1,820,852 or nearly 86 p. c. of the total in 1905-6, their migrations being confined in the main to ports within their own Presidency—only a small number leaving for work in other Provinces. Coolies from Madras and Bengal go to Burma in considerable numbers for work as harvesters and in the rice-mills. Many persons also leave for Ceylon and the Straits, the Persian Gulf and Mombassa. Lastly, we have the annual relief in connection with the British army in India. 14,000 to 15,000 British soldiers come out every year for service in India, and a corresponding number leave for home disembarked from service in this country in troop-ships. In 1903-4, 14,937 came out for service in India, and 12,686 left—in all 27,623. The total charge for troop service and passage-money being £ 370, 506 or about 55½ lakhs of rupees.

The Pilgrim ships, the Native Passenger ships, the Emigrant ships, the troop-ships,—are all non-Indian ships, and have a practical monopoly of our entire passenger traffic by sea. A few Indian Navigation Companies have been recently formed; but their operations are confined to coastal passenger traffic and their ships are foreign ships bought or hired for the purpose.

(4) There is, lastly, the conveyance of the Mails. This branch of postal service is at present handed over to the P. & O. Steam Navigation Company, and a subsidy amounting to

about 8 lakhs of rupees a year is paid for it. In 1903-4, the postal subsidy paid was £ 52,595 or 7·8 lakhs. There is no Indian Steamship Company to take up the work.

Thus, it will be seen how completely dependent we are upon foreign assistance for every kind of sea-service we need. Our trade, both export and import, oceanic and inter-portal, is carried on in foreign bottoms; our passengers—pilgrims, emigrants, soldiers and others—voyage in foreign ships; and our mails too, are conveyed to and from India by a foreign shipping company.

There is but little shipping in our ports or on the high seas that we can call our own; and our ship-building—which at one time was a most extensive industry in our coast districts, and supported a numerous section of our coast population—is all but an extinct industry; and the classes who once lived by it are either at the plough—earning a precarious subsistence, or in the ranks of landless labour, working for their miserable pittance in the towns. A small number of adventurous spirits—mostly Mahomedans—about 40,000—find employment as Lascars in East Indian steamships as coolies or cooks, on subsistence wages.

A large and growing intercourse by sea and yet no national merchant navy—extensive and increasing dealings with foreign nations oversea and yet no national shipping service—an enormous volume of business carried on across the seas, but almost entirely and exclusively with the aid of foreign transport,—this is certainly an anomalous position, and points to a serious and fundamental defect in our national industrial equipment. No scheme of sea-borne trade can for any length of time rest secure on such a basis. There is perhaps no maritime country in the civilized world which is without a shipping service of its own and which relies so completely on foreign aid in maintaining its intercourse with other nations oversea. Great Britain, the United States, Germany, Japan and other great sea-powers apart, whose commercial fleets sweep the high seas, not even the smallest of maritime countries, are without merchant navies of their own. Sweden (area, 172,876 sq. miles and population 5·3 millions) has a mercantile marine consisting of 1,950 sail ing vessels of 965,748 tons and 1,019 steamships of 408,124 tons—a total tonnage of 1,373,872 tons. Norway (area 124,129 sq. miles and population 2·2 millions) possesses a merchant navy of 7,269 vessels—sail and steam together—with an

aggregate tonnage of 1,486,502 tons. Portugal (area 35,490 sq. miles and population 5·4 millions) owns a commercial navy consisting of 77 steamers of 50,487 tons and 497 sailing vessels of 63,048 tons. In Greece (area 25,014 sq. miles and population 2·4 millions) the merchant navy has of sea-going vessels, 884 sailing vessels of 167,243 tons and 198 steamers of 208,791 tons—a total of 1078 vessels of 376,034 tons. Denmark (area 15,592 sq. miles, population 2·6 millions) has a merchant marine of 4091 vessels of 483,434 registered tons, of which 616 are steamers. Even Belgium (area 11,373 sq. miles and population 6·7 millions) has a shipping service of her own, composed of 71 vessels of 99,733 registered tons. India alone (area 1,766,642 sq. miles and population 294·3 millions) with her extensive sea-board, her countless ports and havens and her numerous coast-population, stands as a solitary instance of a maritime country with a large and increasing commerce by sea and yet without a merchant marine of her own. She has not a single sailing vessel or steamship in her ports of the modern type, built in her own yards, nor even a single trained Indian engineer who could build one such. And thus, though under the political control and guidance of a nation which is by common consent the greatest and strongest of maritime powers and whose proud flag flies over nearly one-half of the entire shipping tonnage of the world, she continues, despite her increasing and expanding intercourse with foreign countries by sea, to be at the mercy of the foreign shippers! This marks the serious irony of the position.

Surely this is not as it should be. No maritime nation can long hold its own in the international arena of commercial enterprise—much less look forward with hope and confidence to an assured commercial future,—which has not provided itself with this most needful apparatus of oceanic intercourse, and which chooses to so exclusively depend on the aid of the foreigner in the matter. With us, such foreign aid may have been necessary during the first periods of the economic revolution as a support to the fabric of the New Trade; but any continued dependence upon it is obviously incompatible with a sustained advance along the path of progressive development. Such extraneous aid might fail us when and in the directions in which we should need it most, or might not always be available on the terms we should be able to offer.

It is essential—and indeed a *sine qua non* of balanced progress—that we should have a mercantile marine of our own,

of adequate strength and of the newer pattern, so as to be able to emancipate ourselves from our present position of helpless dependence on the foreign shipper and maintain our maritime intercourse without such outside help.

There are also other economic considerations which point the same way. (1) There is, in the first place, the heavy price we have to pay for such foreign aid—some 25 crores of rupees on the average every year for the conveyance of our export and import freights, our passengers, and our mails. An adequate Indian ocean fleet would mean a saving to the country of the whole of this burdensome annual charge (25 crores) which now goes to strengthen the commercial power and strength of other nations. (2) Next, the creation of an Indian commercial fleet —what a boon and a blessing it would be to the populations of the coast districts! There would be the rehabilitation of our old ship-building industry and sea-service—which would restore to numerous classes of the coast population their hereditary honourable employment. (3) But, above all, it would help to revive two such non-agricultural industries—which would be one important means of introducing some occupational diversity in our coast districts where none exists at present—and thereby diminish the pressure on the land.

All things considered, it behoves us seriously to take up the question, and consider in what way it is possible for us to build up a merchant navy of our own of the newer type and of the requisite strength as a necessary support and basis to our expanding maritime enterprise, and at the same time, revive and re-organize on sound business lines our old shipping and ship-building industries which we have suffered to decline and perish through culpable indifference and neglect.

Before entering upon a discussion of the question thus suggested, we trust, it may not be deemed out of place if we venture to submit by way of preface a brief review of the general position in this regard.

As far as the recorded results of Oriental research enable us to judge, there can be no doubt that in ancient times India was one of the foremost maritime nations of the world. Her fine geographical situation in the heart of the Orient, with Africa on the west and the Eastern Archipelago and Australia on the east and connected with the vast mainland of Asia on the north, her magnificent seaboard extending over 4000 miles and upwards —from Karachi to Chittagong—her ports and havens over 1000

in number, some of them among the finest in the world, the boundless wealth of her material resources, the unrivalled richness and variety of her products, her shipping and ship-building—all these constituted advantages of unique value to the development of her maritime enterprise; and her marvellous colonizing and trading activity, the genius and energy of her merchants, the skill and daring of her seamen, concurred to give her the command of the sea, and helped her to attain to the proud position of a premier maritime power in Eastern Waters. We had our colonies in Madagascar and Socotra on the one side, and in Pegu, in Cambodia, in Java, in Sumatra, in Borneo and in all probability farther afield on the other. Similarly, we had our trading settlements in Southern China, in the Malayan Peninsula, in Arabia and in all the chief cities of Persia and over East Coast of Africa. We maintained extensive intercourse with foreign countries. Our trade extended not only to the countries of Asia but to the whole of the then known world—including the vast dominions of Ancient Rome. There was, for instance, a large and lucrative trade between the Pandya, Chola, and Chera kingdoms of Southern India and the Roman Empire. The whole of this oceanic intercourse with foreign nations was in our hands and under our control. The shipping employed was our own; and our *gulbats* and *padavs*, our *ganjos* and *batelos*, our *bagalas* and *kothias* were in every sea, and our Jat, Karachi and Gujerathi seamen visited every shore. A thousand ports participated in our extensive sea-borne trade of the time, and prominent among them were Lakhpat and Diu, Broach and Vallabhi, Beypoor and Cochin, Masulipatam and Balasore. Each seaport had its own ship-building yard, its own seamen and pilots, the ships were built of timber, mostly teak—the use of iron and steel as material for ship-building was unknown. A few references may here be conveniently cited from Bombay Gazetteer Volume I, part 1, History of Gujerat, Appendix IV, pp. 492-96, and elsewhere :—

"According to Vincent (Periplus I, 25,35,254) in the time of Agatharcides (B. C. 200) the ports of Arabia and Ceylon were entirely in the hands of the people of Gujerat."

In the third century A. D. 247, the Periplus (McCrindle 17,52,64,96,109) notices :

"Large Hindu ships in the East African, Arab and Persian ports and Hindu settlements on the north coast of Socotra."

Fa Hian, the famous Chinese pilgrim, who set out on his great itinerary in 399 A. D. and did not return to his monastery till 15 years later, records in his journal that:

"He sailed from the mouth of the Ganges to Ceylon, from Ceylon to Java and from Java to China in ships manned by Indian crews."

During the fifth and sixth centuries, the ports of Sindh and Gujerat were among the chief centres of maritime enterprise in the east. In the fifth century, according to Hamza of Isphan, at Hira near Kufa on the Euphrates the ships of India and China were constantly moored. In the sixth century, the Jats from the Indus and Kachh occupied the islands in the Bahrein Gulf. In A. D. 630 Hiuen Tsiang (Beal's Buddhist Records, II, 269) notices that in the chief cities of Persia, Hindus were settled as traders, enjoying the free practice of their religion. Before their overthrow by the Mahomedans, what large vessels the Rajput sailors of Gujerat managed is shown by Friar Oderic who about A. D. 1321 (Stevenson in Kerr's Voyages, XVIII, 324) crossed the Indian Ocean in a ship that carried 700 people and and these Rajput ships plied between Kattyawar and China. In the 11th century Somnath is referred to as a great port of call for merchants trading between Sofala in East Africa and China, as Diu was for Chinese ships.

It is needless to multiply these references to our commercial intercourse with foreign nations by sea and our colonial settlements in ancient times. Materials are still not even half as full as we should desire for anything like a just and accurate appreciation of the exact position India held in ancient days in the world's arena of maritime enterprise; but on a general view of the facts which have been definitively established so far, the conclusion seems to be amply borne out that, that position was one of undisputed predominance in Eastern seas.

Things continued more or less on this footing up to the time of the Mahomedan conquest. Under Mahomedan rule, there was a serious decline in our position as a maritime nation. Our command of the sea was gone, and our maritime ascendency ended. Our colonization ceased, our trading settlements dwindled both in number and strength; our sea-borne commerce fell off—part passed into the hands of the Arabs and Portuguese; many of our sea ports lost their commercial importance—some of them were destroyed, *e. g.* Vallabhi, the

celebrated sea port and capital of the Vallabhi kingdom in the east of Kattyawar, situated about 20 miles west of Bhavnagar, and our shipping suffered a great diminution. Altogether, amidst the conflict of creeds and races, amidst the ceaseless clash of arms, amidst the chaos, the carnage, and the violence of religious and political strife, our maritime enterprise received a check from which it has never recovered. The old spirit of sea-adventure, however, was still alive, surviving the shock and the wreck—the fire, the dash, the energy of the sea-manship of ancient days ; and we struggled hard though against heavy odds to maintain our position at sea. The Jats and other Indians established fresh trading settlements in the coast districts of Persia, and continued the old trade with that country. Our merchant fleets sailed as before in Eastern Waters, in the Arabian and Chinese Seas. In 1498 A. D. Vasco da Gama found sailors from Cambay and other parts of India who guided themselves by the help of the stars in the north and south and had nautical instruments of their own—the compass, the quadrant and such like. In A. D. 1510 Albuquerque found a strong Hindu element in Java and Malacca. Sumatra was ruled by Parameshvar, a Hindu prince. And even after the rule of the sea had passed to the Europeans, it was noticed that Gujerat Hindus continued to show marked courage and skill as merchants, seamen, and pilots. In the 17th century the French traveller, Mandelslo (A. D. 1638, Travels) found Achin in North Sumatra a great centre of trade with Gujerat. Even so late as the latter half of the 18th century Rao Ghor of Kachh (A. D. 1760-1778) built, equipped and manned a ship at Mandvi, which without European or other outside assistance safely made the voyage to England and back to the Malabar Coast. In the beginning of the 19th century (A. D. 1825) Tod tells us how "with Biji Singh, of Bhavnagar, his port was his grand hobby and ship-building his chief interest and pleasure."

With the establishment of British rule, the decline of our maritime enterprise proceeded rapidly. New economic conditions established themselves ; and new influences came into play. There was the crushing contact with the West, strong in the strength of advancing civilization and science, its disciplined spirit of industrial enterprise, its perfected industrial organizations, its unlimited command of resources of capital, skilled direction, trained labour and organizing talent. Our maritime enterprise, our sea-borne trade, our shipping, our ship-building, all primitive in their general scheme and methods

had clearly no chance against such unequal and science-directed competition. Protected, carefully nursed and fostered, it might have held its own, and perhaps more as in Japan ; but without such propping, and left without improvement and adaptation to the altered needs of the time, its fate was sealed. And as a result of a century of such competitive collision, we find ourselves simply driven out of the field with our maritime commerce gone ; our merchant shipping which once plied proud and triumphant in Eastern Seas wiped away ; our ship-building yards, once so numerous and so busy, all but closed, except for the construction of fishing boats and other small craft; and our famous sea-ports sunk for the most part to the position of little better than fishing-villages. And now, scarcely a vestige remains of our ancient dominion of the sea. The whole fabric is gone as if swept by a storm leaving no trace behind ; and the soul-stirring story of Ancient India as a mighty sea-power of the East, her colonies and trading settlements, her maritime intercourse and trade, reads like a romantic story from a dream-land or a fairy tale.

So sad, so complete, has been the collapse of our position as a maritime nation under the newer economic conditions—of *Laissez faire* Free Trade, and open and unrestricted competition—conditions introduced with the short-sighted and reckless confidence of "idealist" statesmanship into a country unsuited for their practical application, and among a people unprepared for the sterner toil and the freer life they postulated.

The present position of the country in respect of its intercourse with foreign nations by sea presents features which require to be carefully noted. Among these may be mentioned the following :—

(1) The New Sea-borne Trade of India which has grown up under the conditions of British rule is not our own—neither controlled by ourselves, nor arranged on the old traditional lines. It is essentially the creation of foreign enterprise, and is, as might be expected, mainly under foreign control. It is financed, regulated, directed, by the foreign merchants. Our Bhattyas,

Khoja and Parsee merchants have no doubt direct dealings with Egypt and Zanzibar, Arabia and Persia, Ceylon and China; but these are on too small a scale and do not represent more than a fraction of the total volume, probably about 10 per cent. In Bombay city which has an aggregate sea-borne trade of upwards of 85 crores of rupees in value, we find that out of a total of 217 commercial firms as many as 111 are foreign, including 82 English, 13 German, 5 French, 5 Austrian, 1 Italian, 2 Japanese and 3 others. And they have a practical monopoly of the business. The Indian firms numbers 106—37 Hindu, 11 Musalman and 58 Parsee—most of which, however do little more than agency work. At Karachi, there are in all 92 trading firms, of which 73 are European and only 19 Indian, and these, too, mostly commission agencies.

This sea-borne trade now (1906-7) aggregates 344·2 crores of rupees in value, and represents a cargo tonnage of 11·8 million tons, including 5·21 million tons entered and 6·58 million tons cleared.

The inter-portal trade of India amounts to 46·37 crores of rupees in value (1905-6) and is mainly a subsidiary branch of the general ocean trade—representing the collection, from port coastwise, of produce for foreign export and the distribution of imported goods through these trading centres on the sea-board over the interior.

(2) The New Trade under foreign direction is arranged in a frame and conducted on lines suited to the needs of manufacturing and industrial development, not in this country, but in foreign lands, and for the benefit of foreign nations. The bulk of exports consists of food-stuffs and raw materials, while the imports are mostly manufactured goods. Among the exports we may note, taking the figures for 1906-7 :—

Value in crores of rupees.

	Crs.		Crs.
Grain and pulse	27·65	Hides and skins ...	10 89
Jute	26·83	Lac	3·37
Cotton	21·96	Wool	2·42
Seeds	13·01	Dyeing and tanning materials	1·38
Total Rs.	89·45	Total Rs.	18·06

A total of 107·51 crores of rupees or over 60 per cent of the total value of Indian merchandise exported.

On the import side, the following articles may be mentioned :—

	Crs.		Crs.
Liquors	1·85	Oils	2·76
Provisions	2·42	Cotton-twist, yarn and piece-goods	40·91
Sugar	8·73	Silks	1·82
Metals and metal manufactures	22·65	Apparel	2·11
Total Rs.	35·65	Total Rs.	47·60

A total of 83·25 crores, or over 76 per cent of the total value of imported goods.

(3) Taking the figures for 1905-6, we find the trade thus distributed in respect of geographical areas.

Total value in crores of rupees, merchandise and treasure :—

	Imports inclusive of Government stores.	Exports exclusive of Government stores.	Total in crores of Rs.
A. British Empire.			
(1) United kingdom.	97·13	44·22	141·35
(2) British Colonies and possessions.	17·25	34·14	51·39
Total ...	114·38	78·36	192·74
B. Foreign countries.	29·36	89·79	119·15
Grand total ...	143·74	168·15	311·89

And, again, as over the different continents, in private merchandise alone :—

	Imports.	Exports.	Total in crores of Rs.
Europe	85·89	85·50	171·40
Africa	2·77	5·40	8·17
America	2·26	17·19	19·45
Asia	11·21	51·19	62·41
Australasia	·92	2·40	3·32
Total ...	103·06	161·70	264·77

Our old trade was mainly with Asia and Africa and the countries of the Levant. The bulk of the New Trade is with Europe, over 65 per cent of the whole. The British Empire, including the United Kingdom and British Colonies and possessions, claims over 60 per cent of the total trade.

(4) As to the sea-ports—participating in the New Trade. In 1870, Mr. Robertson, a civil engineer of eminence, was appointed by Government to inspect and report on the harbours and anchorages of the country. In 1870-1 he examined the Madras anchorages on both sides of the Peninsula and in 1871-2 inspected the Bombay and Bengal costs and in a list prepared by Captain Taylor as many as 656 ports were enumerated and described, and the remark was added that :

"The trade ports of India, if every place frequented by native craft be included, are exceedingly numerous."

Altogether, there were, we believe, over 1,000 ports on the Indian sea-board, which in ancient days were more or less independent centres of oceanic trade, having direct transactions with foreign countries—Ceylon and Zanzibar, Arabia and Persia, China and Malacca, Java and Cambodia, Sumatra and Borneo —and at the same time were distributing points for coastal traffic.

The Indian Ports Act of 1889 has a schedule list of 236 ports—11 in Bengal, 7 in Burma, 72 in Bombay including Aden, and in Madras 146, leaving out 19 as non-British Indian ports in Travancore and Cochin and 4 French ports in that

Presidency. Each port under section 7 of the Act has a port officer and a conservator whose duty it is to look after the safety of shipping and the conservation of the port, enforcing the standing rules regarding berths, stations and anchorages to be occupied by vessels, the taking in and discharging of passengers, ballast and cargo, the keeping of free passengers, the use of fires and lights and to levy port-dues on vessels entering and grant port-clearances and receive fees for pilotage &c. Under section 36 it is also to have a port fund account of its own, showing receipt such as port-dues and pilotage fees and disbursements including the pay and allowances of the port establishment, the costs of buoys, beacons, lights and other necessary works maintained for the benefit of vessels entering or leaving the port, as also contributions, if any, towards the support of hospitals and dispensaries suitable for the reception and relief of seamen, &c.

Most of these 236 ports are, however, mere ports of call for inter-portal trade and have but a very small fraction of the general oceanic trade of the country. Taking the figures for 1905-6 we find that the following 17 ports shared between them as much as 262·84 crores out of a total value of the trade in merchandise amounting to 264·77 crores, leaving even less than 2 crores for the remaining 219 ports :—

	Value of trade in crores of Rs.
Calcutta	109·0
Bombay	85·0
Rangoon	21·0
Karachi	20·1
Madras	12·1
Total ...	*247·29
Tuticorin	3·35
Chittagong	3·17
Cochin	1·23
Moulmein	1·15
Total ...	8·90

	Value of trade in crores of Rs.
Calicut	1·05
Mangalore	1·00
Tellicherry	·99
Coconada	·93
Total ...	3·97
Bassein	·85
Negapatam	·69
Cuddalore	·55
Akyab	·51
Total ...	2·60
Grand Total ...	*262·84

The total value of the year's trade was 264·77 crores of rupees of which

* There appears to be still some discrepancy in these figures.

17 ports had 262·84 crores of rupees.

219 ports had only 1·93 crores of rupees.

(5) And even of these 17 ports, it is worth noting that it is the first five, Calcutta, Bombay, Rangoon, Karachi and Madras which have a virtual monopoly of the oceanic trade of the country—247·3 crores out of a total value of 264·7 crores—the trade in Private Merchandise—leaving but 17·4 crores for all the other sea ports on the vast sea-board.

These five ports are all new ports which owe their origin entirely and exclusively to foreign initiative and enterprise; and the concentration of the new sea-borne trade at these few points in the face of an extensive sea-board affording a thousand outlets and anchorages, some of them among the finest in the world, is a most remarkable feature of the general position.

Such concentration of the country's trade has no doubt its advantages. It facilitates and favours effective combination of means and proper co-ordination and regulation of efforts, and is otherwise conductive to economy and efficiency. But in the hands of the foreign merchant, and directed with irresistible energy against the indigenous organization of the country, it has with us been simply disastrous. It has proved the ruin of our ports, and with it,—other causes operating—the destruction of our maritime enterprise, including trade, shipping and ship-building.

Our old ports had clearly no chance as against such an opposing concentration. Effective competition was practically eliminated, and no motive or incentive left to emulative effort; and they have had to resign themselves without a struggle to the fate that awaited them. Their trade is gone, their shipping and ship-building activity is paralysed; and they are now for the most part little better than fishing-villages shorn of all their former glory or at the best are mere ports of call for coastal traffic with but an insignificant share—if even that much—in the general oceanic trade of the country. Lakhpat, the well-known emporium on the Sindh frontier which was till within a century ago a great seat of commerce on the coast, is no longer a trading centre. Diu on the coast of Kathyawar, the flourishing mart and port of call for merchant ships from China and E. Africa in the 7th and 8th centuries A. D., is now but a subsidiary port for coastal traffic. Masulipatam, at the mouth of the Krishna, on the east coast of the Peninsula, once the great colonizing and trading centre and which sent

settlers to colonize Java and Cambodia in the 7th century A. D. and from which vessels sailed eastwards from Sumatra and Cochin-China and the Manillas and westward for Mecca and Madagascar, is now a neglected port, with a bar rising at its entrance, and relegated to a subordinate position with an oceanic trade of about 13 lakhs of rupees. imports and exports together, and a coastal trade of less than 7 lakhs! What now remains of the glory of the historic ports of Somnath and Mangalore? Broach, that queen of trading cities, once the centre of our maritime enterprise on the Western Coast, is now but a shadow of her former self with only a coastal trade of 44 lakhs of rupees! And so the Wheel of Fortune turns; and things "have their day and cease to be."

(6) The ports of Calcutta, Bombay, Rangoon. Karachi and Madras, at which the new sea-borne trade is concentrated, are, as observed before, ports of foreign origin and have been built, improved and equipped at great cost. Of these, Bombay is by far the finest port; Calcutta and Rangoon are good ports; but Karachi, the new port of Sindh and the Punjab, has had to be converted into a safe and commodious harbour at a heavy expenditure of money and effort. A bar across the entrance stretching for nearly a thousand yards—the result of the waves raised by the S. W. Monsoon acting on the loose sand lying off the extremity of Manora Point—has had to be removed; and the channel, deepened; the Chinna Creek blocked; and a break-water, constructed to shut off the heavy S. W. seas from the mouth of the harbour. Madras is still far from being a satisfactory harbour. There is exposed sea-shore, and the shoaling of the harbour mouth by drift sand is a standing difficulty. The capital debt incurred for the improvement of these harbours amounted to 13·5 crores up to the end of 1905-6. Calcutta has a capital debt of 5·3 crores; Bombay, 6·46 crores; Rangoon, 58 lakhs; Karachi. 76 lakhs and Madras, 40 lakhs. Calcutta has 9 docks and Bombay 7, and these have cost a good deal. The Prince's Dock at Bombay enclosing a total water-area of 30 acres, has cost more than a crore of rupees, and so, too, the Victoria Dock has been constructed at a total outlay of 1·23 crores. Wharf and landing accommodation, piers, port approaches, buoys, warehouses, &c. have involved a heavy expenditure.

It is not clear why a few more harbours equally good or better have not been selected to be improved, equipped and placed alongside these five. There are several ports on the

West Coast of India which might have been converted into first-class harbours and some at least at smaller cost. Poshitra, Salaya, Jagghur, Viziadurg, Karwar and Cochin, might be mentioned. As regards Cochin, Mr. Robertson, the great engineer, was strongly in favour of a scheme for improving it. It has a back-water of great value as a tidal reservoir to keep the entrance clear and render it independent of flood-water for scouring purposes. Mr. Robertson said:—

"In this back-water there is room for 50 ships of 700 tons, and any amount of area can be got by dredging. The rise and fall is so small that the back-water is practically a wet dock of greater area than all the docks in Great Britain put together. On either side of Cochin harbour, to the north and south, there are the very remarkable mud banks of Nara Kal and Alepy which are most useful as natural harbours of refuge subsidiary to Cochin. No other harbour in the world has such adjuncts. Thus Cochin is a admirably adapted to become the great western outlet for the trade of Southern India."

A harbour of such potentialities might well have been chosen instead of Madras—an indifferent road-stead even now.

It is unfortunate that side by side with these ports improved and fitted at such heavy cost for the New Sea-borne Trade, it has not as yet been deemed desirable to establish as a necessary complement a few first-class ship-building yards where sailing vessels and steamships of the modern type could be constructed. Cochin and Viziadurg on the west coast might with advantage be converted at a comparatively small outlay into fine ship-building centres, commanding an inexhaustible supply of teak-timber from the forests of Kanara and Malabar.

Calcutta and Bombay have each a dock-yard, but the work done is almost entirely repairs to ships and but little real ship-building.

In Japan, it is only within the last 30 years since 1878 that ship-building on the modern methods has made such wonderful progress, and ship-building yards have been established which might well claim a place among the leading ones in the world. The ship-building yard at Osaka is 34 acres in extent, and employs 4,000 men; the Kobe yards have an area of 50 acres and 8,000 workmen; the Nagasaki, the largest in the country, cover in area of 80 acres and employ over 10,000 men. Besides, there are 205 private ship-yards

and the 32 private docks. Bounties are given for the construction of iron or steel vessels of not less than 700 gross tons. The building of merchant ships of over 10,000 tons is not uncommon. Numerous small vessels of 200—300 tons are turned out every year, and also many iron vessels of 800 tons and upwards. At Nagasaki a ship of 13,000 tons is at present in course of construction.

A few-ship yards of the kind created on the Indian littoral would be a boon of incalculable value and a means of reviving a great national industry. The outlay involved need not be more than 2 or 3 crores.

(7) The administration of the affairs of these ports is vested by law in Boards specially constituted for the purpose. At all the ports the Europeans on the Boards largely outnumber Indians and practically control the management.

These Port Trusts are constituted in part on an elective basis, and contain representatives of the technical and commercial interests most concerned in the welfare and advancement of the ports. The Port Trust of Calcutta is composed of 15 members of whom 8 are elected, one by the Calcutta Municipality, one by the Trades Association, one by the Bengal National Chamber of Commerce, and 5 by the Bengal Chamber of Commerce. At the present time, two are natives of India and the rest, as might be expected from the direction of the Foreign Trade, Europeans. In Bombay, the Board of Administration consists of 13 members, of whom 5 are elected by the Bombay Chamber of Commerce; and the Bombay Port Trust Act of 1879 provides under section 5 that "not less than three of the Trustees shall be natives of India residing in the city of Bombay." Madras has a Port Trust of 12 members, of whom 5 are elected, and 3 must be natives residing in the city. The Karachi Port is under a Board of 11 members, of whom 5 are elected and 2 must be natives residing in the city. Rangoon has a Port Trust of 10 members, of whom 3 are elected. There are here no native Commissioners on the Board.

The sub-joined table shows the constitution of these several Port Trusts :—

Port.	Number of Members.	Classification of the Members.			Natives.
		Nominated.	Elected.	Europeans.	
Calcutta ..	15	7	8	13	2
Bombay ...	13	8	5	10	3
Madras ...	12	7	5	9	3
Karachi ...	11	6	5	9	2
Rangoon ...	10	7	3	10	...
Totals ...	61	35	26	51	10

Thus, the total membership of these Port Trusts is 61 members, of whom 51 are Europeans—Engineers or representatives of Chamber of Commerce—and 10 only are Indians. The administration of the Ports is thus practically in the hands of the Europeans.

The property vested in the Trusts is extensive and valuable and they are invested with powers corresponding to it.

The work of the Boards includes :—

The maintenance in efficient order of the existing docks, landing places, jetties, wharves, light-houses, buoys, channels of approach, as also the carrying out of new works and improvements as required : such as wharves, piers, tramways, warehouses, sheds, beacons, pilot boats, the erection of cranes, reclamations, dredges, &c.

The Trusts have considerable revenues at their disposal, including tolls, dues, rates and charges for the landing, shipping, wharfage, cranage, storage, demurrage of goods, &c. Government advances money to the Boards in case of necessity or they have the power to raise the required loans.

The following table shows the revenue and expenditure of these Port Trusts for 1905–6, as also their capital debts :—

Port Trust.	Income in Lakhs of Rs.	Expenditure in Lakhs of Rs.	Capital debt in Lakhs of Rs.	The Total trade in crores of Rs.
Calcutta	89·5	86·6	530	109
Bombay	70·7	61·6	646	85
Madras	8·7	8·4	40	12
Karachi	24·4	20·7	76	20
Rangoon	19·1	22·9	58	21
Total in Lakhs of Rs. ...	212·4	200·2	1,350	Total 247 crores in 1905-6

Each Port Trust has under its control :—

(*a*) a staff of officers of the Trust, including secretaries, engineers, traffic managers, dock-superintendents, warehouse superintendents, &c.

(*b*) a Port Department, consisting of a port officer and his assistant and dock-masters ; and

(*c*) a Pilot Establishment composed of a harbour-master, master-pilots, pilots, &c.

At the port of Bombay, all these branches of the port service are manned by Europeans—excepting 2 Parsee officers on the staff (*a*).

(8) Next, these central sea-ports—Calcutta, Bombay, Rangoon, Karachi, and Madras, so improved and equipped at a capital out-lay of over 3 crores of rupees and so administered in the interests of the New Sea-borne Trade and under the direction of representatives of foreign enterprise—have their position strengthened and assured by being placed in close and

effective communication with the areas of production and industrial activity in the interior. The connecting chains are two —coastal and inland.

(i) There is, first the long chain of subsidiary ports on the sea-board, extending from Karachi and Lakhpat to Moulmein and Mergui. These ports numbering more than 1,000, including both recognised under the Ports Act and unrecognised, once many of them independent ports of call and distributing trade-centres on the coast with more or less a substantial share in the oceanic commerce, are now, under altered conditions and under the new scheme of commercial development, practically subsidiary ports, subordinate and ancillary to the chief central sea-ports sending and receiving their supplies of commodities to and from them.

Mangalore and Veraval, Porbandar and Diu, Gogha and Surat, Viziadurg and Malvan on the Bombay side, Cannanore and Beypore, Vizagapatam and Bimlipatam on the Madras coast, and Puri and Balasore in Bengal, have all sunk to the position of ancillary ports in communication with their respective presidential central ports.

(ii) There is, secondly, a vast net-work of railways converging to these sea-ports as coastal *termini*, as they debouch on the seaboard or, to speak with historical accuracy and with reference to their development, radiating from them and extending throughout the length and breadth of the country and connecting every city of any importance and every province.

The railways are, of course, no part of the general maritime equipment of the country proper, but as the position of the central ports as distributing trade-centres largely depends upon such a chain of arterial lines of communication linking them on to the interior, a passing reference to them may be permitted.

It was about 1840 when the conquest of the country was nearing its completion, that the question of railway construction in India was first taken up by the Court of Directors. It was realised that without the requisite material appliances to faci-

litate and cheapen the means of communication and production, there could be no advance in the country—material, moral or political ; and Lord Dalhousie, reviewing the whole question in an exhaustive minute in 1853, strongly urged the importance "of a speedy and wide introduction of railway communications throughout India"—recommending projects for various trunk lines.

The Court of Directors concurred, and sanctioned the scheme proposed by the Government of India ; and by the end of 1859, eight companies had been formed for the construction of about 5,000 miles of line with a capital under State-guarantee of £ 52,500 000 sterling. And there was laid the foundation of a system of railways in India which—extending as it does throughout the country and opening it out in all directions—is now, with a mileage exceeding that in the United Kingdom itself, a marvel of engineering enterprise in the East.

The Great Indian Peninsular Railway was projected in 1844. The first turf was turned at Bombay in 1850, and the first 20 miles of line to Thana were opened in 1853 when Lord Elphinstone was Governor. Since then, the work of railway construction in India has gone on rapidly and continuously, and we have now a total mileage of 29,303 miles of line open for traffic.

It may be remarked that the position of the Central Ports as chief sea-ports and distributing trade-centres could not have been strengthened in the way it has been, and that no large expansion of the New Sea-borne Trade would have been possible, without such a development of the railway system of the country, the construction of a stupendous net-work of converging arterial through-lines of communication. Says the Writer on Commerce and Trade in the Imperial Gazetter of India (vol. III, p. 262):—

"Until the railway system was well advanced, it was no possible either to furnish the mass of the people with imported merchandise within their means or to encourage the agriculturist to grow wheat, oil seeds, or cotton for the over-sea market."

Prior to the construction of railways in India, the New Seaborne Trade advanced but slowly. In 1851-2,—the year before the opening of the first railway—the total value of the export and import trade in merchandise was 32·1 crores of Rupees and had only slightly varied in previous years. Since 1853-4, it has steadily advanced with every advance in railway-development—as will appear from the subjoined table :—

Year.	Railway mileage open for traffic.	Value of Sea-borne Trade in crores of Rs. in merchandise.		
		Imports.	Exports.	Total.
1853–4	71	11·12	19·29	30·41
1863–4	2,958	27·14	65·62	92·76
1873–4	6,225	33·81	54·99	88·80
1883–4	11,527	55·27	88·17	143·44
1893–4	18,840	77·02	106·50	183·52
1903–4	27,565	92·59	153·51	246·10
1906–7	29,303	108·30	176·66	284·96

The following few figures will be of interest as bearing on the general position in this respect :—

Total mileage of lines open for traffic on March 31st, 1907, 29,303 miles.

	Rs.	Crores.
(A) Capital debt		485·14
1. Actual capital out-lay	379·20	
2. Premia paid in purchase of companies lines	47·45	
3. Net charge to the State on the railway account from the commencement down to 1898–9	58·49	
Total ...	485·14	

Since 1899 we have had surpluses		Rs.	Crores.
(B) Gross earnings			44·11
1. Coaching traffic	15·36		
Total number of passengers carried, 271·0 millions, of whom 239·3 millions, 3rd class.			
2. Goods traffic	27·59		
Number of tons carried, 58·8 millions, Average rate per mile 5·4 pies.			
3. Electric Telegraph, &c.	1·15		
Total Rs. ...	44·11		
(C) Working Expenses			22·00
(D) Net Earnings			22·10

Railway service—number of employees of different races :—

Europeans	... 6,850	The upper branches of the service are manned almost exclusively by Europeans. The G. I. P. Railway has a superior staff of officers, 1,140 strong—including Agent, Auditors, Engineers, Traffic Superintendents, Locomotive Officers, &c., of whom only 8 are Indians. The East Indian Railway and the Madras Railway have between them a staff of 312 superior officers, under Agency, Audit, Engineering, Traffic, Locomotive, of whom only 2 are Indians.
Eurasians	... 9,326	
Indians	... 463,108	
Total	... 479,284	

Points to be noted :—

1. The capital laid out on the lines is entirely European, excepting some 20 lakhs of native investment on a short feeder line.

2. The administration is exclusively in European hands.

3. The superior branches of the service are manned most ly by Europeans and Eurasians.

4. The profits go all to the foreign capitalist—net earnings, 22·1 crores of rupees.

5. Railways—which in other lands and under normal conditions contribute to national economic progress and development—here with us work mainly in aid of the New Sea-borne Trade.

It may be added that the only land-transport that we still possess as our own is represented by the pack-animals and the bullock-carts. The pack-animals—horses and ponies, mules and donkeys, and camels—number in all 2,944,204 for a total of 550,030 villages in the British provinces or less than 6 per village. Their day, however, is gone; and we have them so employed only in hilly or imperfectly opened-up tracts where good cart-roads do not yet exist. As regards the carts they number 3,360,774 or about 6 to a village, plying in the old way between their villages and the railway stations and the trading towns and doing a considerable deal of the general carriage work of the country, largely as ancillary to the wide branching railway transport service.

Thus, is the movement of goods maintained to the central seaports from the interior and back, partly along the coast through a long chain of subsidiary ports, and by land by means of the railways.

(9) Next, it is important to enquire how the New Sea-borne Trade is carried on between these ports and the foreign markets across the seas: what is the agency which provides it. This brings us to the question of shipping employed in the new oceanic trade.

This trade with foreign countries by sea represents a most extensive field for transport service. And here, too, it is painful to note that the collapse of Indian indigenous enterprise is almost complete and that the foreigner is practically in sole and undisputed possession of the field.

Railway transport is, as shown before, a foreign monopoly and imposes upon the country a heavy annual charge, amounting to over 44 crores of rupees gross and over 22 crores net. And so, too, is the entire system of sea-carriage for which we have to pay the foreigner an additional 25 crores, so that the two charges taken together come to no less than about 70 crores of rupees per annum, exceeding by more than 10 crores even the entire net revenue of the Government of India—a price paid for foreign aid in respect of the land and sea transport, that we need in support of our New Sea-borne Trade.

Prior to 1842, the year in which the Peninsular and Oriental Steam Navigation Company secured the control for the mails between Suez and Calcutta and almost down to the opening of the Suez Canal in 1869, the New Sea-borne Trade was mainly carried on with sailing ships mostly under 500 tons each. The trade with the countries of the West was almost exclusively in the hands of the English shippers. Our native vessels never seem to have ventured west beyond the Cape.

In the eastern seas, however, we had yet our old shipping; and our *Kothias*, and *Bagalas*, our *Ganjoos* and *Padavs*, of 200—75 tons burthen had a large share with the Arab dhows, the Chinese junks and the Siamese barques in the trade between India and Ceylon, E. Africa, Persia, Arabia, China, the Malayan Peninsula and the Eastern Archipelago. Here there was some and not much competition; but it was a competition between the sailing-ships of the West of the newer pattern and our Indian craft of the old type. As regards the coastal trade of the country it was almost wholly in our hands and the extensive sea-board from Lakhpat on the west to Chittagong on the east was dotted over with Indian barques and brigs plying from port to port, and doing in the aggregate no inconsiderable amount of business.

The whole position, however, underwent a most profound change and our last chance was gone, when the Suez Canal was opened for traffic in 1869. It brought the East and the West nearer to each other, opened the East out to the steam-shipping of the West, and rendered possible an immense expansion of Eastern trade. Steamer-services commenced in Eastern Waters, and there was a revolution in the conditions of the general carrying trade of the East.

In 1825, the *Enterprise* made the first steam voyage to India. In 1842, the P. and O. Company secured the contract for the mails between Suez and Calcutta, and established a line of steamer for the mail services between Suez, Ceylon, Madras and Calcutta. But up till 1854, there were no steamers in Indian waters but those of the P. and O. Company, a few Government transports and occasional steamers employed in

the opium trade. Indian trade was divided between native vessels which put to sea only in fine weather and square-rigged ships carrying native crews and officered by Europeans. The first operations of the British India Steam Navigation Company date from 1857. In 1862 it started a scheme embracing the whole coasting service of India ; and by the end of 1863, had 17 steamers afloat in the Eastern Seas. In November 1869, the Suez Canal was opened, and this company's steamer *India*, with cargo from Calcutta, was the first steamer to arrive in London with an Indian cargo through the canal. In 1872 it extended its services to the East Coast of Africa ; and in 1873 had a fleet of 40 steamers with an aggregate tonnage of about 52,000 tons, employing in the service of its fleet over 500 European officers and engineers and more than 5,000 lascars.

Since, then, there has been a steady and continuous expansion of steam-shipping in Eastern Waters. It has extended to every country and every island in the East. Ceylon and E. Africa, Arabia and Persia, China and Japan, the Malayan Peninsula and the Eastern Archipelago, have now their regular steam-ship services. Almost every nation in Europe, Canada and the United States, Australia and New Zealand, have each a share in the new shipping. Even Japan is in the arena, working her way with characteristic energy. British shipping predominates, but we have fine steam-ship line owned by other nations, notably France and Germany, the United States and Japan. Powerful shipping companies are in the field, *e. g.* the British India Steam Navigation Company founded in 1855 with a fleet of 125 steamers of 431,594 tons ; the P. and O. Steam Navigation Company, incorporated in 1840 with a fleet of 59 steamers of 348,631 tons ; the Ellerman Lines Ltd. founded in 1840, owning a fleet of 73 steamers of 238,876 tons ; the Anchor Line Ltd. established in 1856, possessing a fleet of 30 steamers ; the Compagnie Des Messageries Maritimes, the Chargeurs Re-unis of Paris (established in 1872) owning a fleet of 34 steamers ; the Navigazion Generala Italiana with a fleet of 107 steamers of 231,000 tons ; the Austrian Lloyd Steam Navigation Company (founded at Trieste in 1836) possessing

71 steamers of 202,527 tons; the Hamburg-American Line Company (started in 1847) which owns a fleet—the largest in the world in carrying capacity, of 125 steamers of 651,151 tons; the Nippon Yusun Kaisha (founded in 1885) with a fleet of 78 steamers of 248,000 tons, &c. And we have now available for service in the Eastern Seas such large steamers as the P. and O. Company's *Macedonia* and *Marmora* of over 10,500 tons each, the Anchor Lines *Circassia* of 6,716 tons and *Britannica* of 8,069 tons, the Italian *R. Rubattino* of 4,580 tons, the France *Ville de la Ciolat* of 6,378 tons, and the Japanese *Aki Maru* of 6,444 tons. It may be added that steamships have now almost completely superseded the old sailing vessels in Eastern Waters, which means increasing more than four-fold the carrying power of the shipping. Of the total tonnage employed in Indian trade 98 per cent and more is steam-tonnage.

(10) In the face of such competition conducted with such resources and on such a scale, our old small shipping have obviously no chance. Our *Kothias* and *Bagalas*, our *Galbats* and *Padavs* of small carrying capacity mostly under 100 tons, cannot hold their own, when matched with such stately liners of the West; nor can our poor, resourceless ship-owners hope to compete with such powerful shipping companies on anything like equal terms. The struggle is an unequal struggle and it can be no matter for surprise that the field is almost entirely in foreign hands and under foreign control. The whole of the Eastern trade, which once was ours is now in the hands of the European, American and Japanese shippers. Our share in the oceanic trade of our own country has dwindled down to less than 1 per cent of the total. And even in respect of the inter-portal trade of India, our native craft represent less than $\frac{1}{3}$th of the total tonnage.

The collapse of our indigenous shipping is all but total, and the following figures relating to shipping in Indian trade will be of painful interest, as illustrating the extent of such collapse :—

(A) As regards the *Sea-borne Trade* of India.

No. of tonnage of vessels, including their repeated voyages, that entered and cleared with cargoes from and to foreign countries in 1906-07 thus distributed :—

	Entered.		Cleared.		Total in 1000 tons.		
	No. of vessels.	Tonnage.	No.	Tonnage.	No.	Total tonnage in thousands of tons.	Average tons per vessel.
1. Indian craft ...	600	45	654	49	1,254	95	77 tons.
2. British craft ...	90	7	90	7	180	14	80 tons.
3. Foreign craft ...	187	20	114	11	301	31	100 tons.
4. British shipping ...	1,727	3,973	2,256	5,197	3,983	9,170	over 2,300 tons.
5. British India shipping. ...	248	66	349	95	597	161	268 tons.
6. Foreign countries shipping. ...	458	1,100	532	1,227	990	2,327	2,440 tons.
Total ...	3,310	5,211	3,995	6,586	7,305	11,800	

Thus, of the total tonnage employed in the New Sea-borne Trade of India—11,800,000 tons in all, both entries and clearances taken together—it may be noticed that British shipping, including craft and British Indian vessels, claims by far the largest share, amounting to 4760 vessels or 65 p. c. of the total number and 9,345,000 tons or about 79 p. c. The shipping of foreign countries amounts to a total of 990 vessels—most of them steamers, with an aggregate tonnage of 2,327,206 tons or close on 20 p. c.—Austria-Hungary claiming 443,000 tons, France 185,000 tons, Germany 952,458 tons, Italy 201,000 tons, Japan 200,000 tons, &c. Our own indigenous shipping comes last with a miserable aggregate tonnage of 95,000 tons—·8 per cent of the total. The number of such vessels engaged in the oceanic trade of the country is not supplied in the official returns; but assuming about 10 voyages to a vessel a year, it may not be far wrong to put it at say 125-130 vessels, 130 small barques—mostly under 80 tons each,—this is all the shipping engaged in our foreign trade—that we can claim as our own, and no more. Nothing else is needed to bring us home with such painful clearness the awful extent of the failure of this branch of our national industry—a result attributable to the policy of the Open Door applied in all its logical rigour to economic conditions peculiarly ill-adapted for such application.

(B). The *inter-portal trade* of India:—

Here the figures for 1905-06 are available, and are as below:—

Nationality of shipping.		Entries.		Clearances.		Total.		Per cent
		No. of vessels.	Tons.	No. of vessels.	Tons.	No. of vessels.	Tons.	
British ...	Steam ...	8,022	12,225,895	8,160	12,473,724	16,182	24,699,619	British 83·9 p. c.
	Sailing ...	1	1,528	2	1,672	3	3,200	
British India	Steam ...	104	25,757	102	30,118	206	55,875	
	Sailing ...	289	41,235	241	34,907	530	76,142	
Foreign ...	Steam ...	256	666,029	277	733,759	533	1,399,788	Foreign 5·2
	Sailing ...	1,470	56,279	1,923	74,346	3,393	130,625	
*Native craft	Sailing ..	100,567	1,697,853	81,635	1,549,740	182,202	3.247,593	Indian 10·9
Total ...	Steam ...	8,38[illegible]	12,917,681	8,53[illegible]	13,237,601	16,921	26,155,282	
	Sailing ...	102,327	1,796,895	83,801	1,660,665	186,128	3,457,560	
Total of steam and sailing vessels.		110,709	14,714,576	,340	14,898,266	203,049	29,612,842	100

* Including foreign craft.

Here, the aggregate tonnage is 29·612 million tons, of which British shipping claims nearly 84 p. c. Foreign countries have a little over 5 p. c. and our own share is hardly 10 p. c.—some 182,202 vessels with an aggregate tonnage of 3·247 million tons—or for the most part of under 20 tons burden. Assuming 25 voyages per annum to a vessel of this sort, it would appear that our indigenous craft so employed in this coastal trade incude some 7,280 small *galbats* and *padavs* plying from port to port along the sea-board, East and West.

In half the countries of the world, the coastal trade is by law and treaty reserved to national shipping. With us, however, there is no such reservation, and under the Free Trade regime, our share in our own inter-portal trade has dwindled down to about 10 per cent of the total.

It may be added that our share in both the oceanic and coastal trade of the country has been since the opening of the Suez Canal steadily and continuously on the decline. And to all appearances its final extinction is only a question of time. Steamship competition is a most formidable competition, and sail-shipping must eventually go out of the field altogether. It is worth noting in this connection that 98 per cent of the shipping engaged in the sea-borne trade of India is steam, and 86 per cent of that employed in coastal traffic is so, too.

Thus, as things stand at present, our Indian share is limited in the oceanic trade to about 130 small vessels of under 80 tons burthen with an aggregate tonnage of 95,000 tons, and in the coastal trade of India—to some 7,280 vessels generally of less than 20 tons each—while the foreigner claims 99 per cent of the former and 90 p. c. of the latter.

(11) As to *ship-building* there is a corresponding decline. The less the indigenous shipping that finds employment, the less is the building of new vessels. Taking the figures for the 5 years ending 1905-6, we find :—

Sailing and steam vessels built at Indian Ports.

Year.	Sailing.		Steam.		Total.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
1901-2	112	4,756	3	77	115	4,833
1902-3	96	3,515	3	76	99	3,591
1903-4	96	4,326	1	75	97	4,401
1904-5	148	7,495	1	17	149	7,422
1905-6	166	7,445	2	167	168	7,612
Total for 5 years.	618	27,447	10	412	628	27,859
Yearly average.	123·6	5,449	2	82	125·6	5,572

Thus it appears, we build about 125 new vessels—Gulbats, Batalos, Kothias, Padavs, &c.,—of under 45 tons each—on an average per year. The annual amount of new ship-building scarcely seems sufficient to adequately provide for the wear and tear and wastage of time, and cannot even maintain our craft in its present strength. As to the Provincial distribution of ship-building, Bengal has built during these 5 years only 8 new vessels, Burma 44, Sindh 63, Madras 148, and Bombay 365—in all 628. There is this new ship-building at 2 ports in Bengal, at 16 in Bombay, at 2 in Sindh, at 24 in Madras and at 4 in Burma—in all 48 ports in British India participating in the work, building 2 or 3 *gulbats* a year each. The ports of Calcutta and Chittagong on the Bengal side, of Bombay, Bulsar, and Bassein in the Bombay Presidency, of Mangalore, Calicut and Masulipatum in Madras, and of Tavoy and Mergui on the Burmese coast, may be mentioned in this connection as still preserving the ancient art. Of these, next to Bombay, Bulsar on the west coast takes the lead, having built 122 new vessels during the five years ending 1905-6, Bassein follows with an aggregate of 54, and then we have Mangalore with 40, Calicut and Masulipatum each with 18. Vizíadurg, once an important

ship-building centre on our side, has almost ceased to build, having turned out only 5 during the period.

As to the capital annually laid out on the building of the new craft, taking the cost of construction at about Rs. 100 per ton, we may put it at between 5 and 6 lakhs of rupees.

As regards the ship-builders, the Census of 1901 gives 42,940 as the number of persons supported by the industry. The actual workers as ship-wrights and boat-builders number 14,322 and apparently build for the most part fishing-boats and canoes and only occasionally larger craft. These people, however, are men of small means, *e. g.*, the *Vadha* carpenters of Gujerat, and build vessels generally for others—the Bunnias, the Memons, &c.,—under a system of advances, and if they build any on their own account, they do so only with borrowed capital.

(12) Lastly, as to our seamen, the Census supplies no definite information ; we can hazard only a conjectural estimate. The strength of the crew of a native vessel varies according to its size and tonnage. In the case of large vessels, such as *Bagalas* and *Kothias* and *Batalos*, there as usually 8 to 14 men ; in the case of small, 4 to 8, the Tandel being the captain. We have as shown before, about 130 large vessels in oceanic trade, and some 7,280 small, engaged in the inter-portal trade of the country, and the number of seamen may be roughly estimated at 50,000.

We may sum up the general position thus :—

(1) Our maritime trade is to the extent of full 90 per cent, if not more, in foreign hands. Our Indian share is barely 10 per cent.

(2) As to transport for movement of goods :—

(*a*) The railways are entirely a foreign monopoly, costing us about 44 crores of rupees a year gross.

(*b*) As regards the shipping employed—

(i) In the *oceanic trade*, the total tonnage is 11,800,000 tons. Our indigenous shipping represents only 95,000 tons or a shade over ·8 per cent, the remaining 11,705,000 tons all foreign.

(ii) In the inter-portal trade of the country the aggregate tonnage is 29·61 million tons, of which just 3·24 million tons is our own, the remaining 26·37 million tons or over 89 per cent foreign.

(3) As to old ports, most of them are now deserted—both trade and shipping being practically concentrated at the five new ports of Calcutta, Bombay, Rangoon, Karachi and Madras—having 247·3 crores out of a total trade in merchandise of 264·4 crores of rupees in value; and nearly 9 milion tons out of an aggregate tonnage of 11·8 million tons.

(4) The total number of indigenous vessels at present employed is roughly estimated at 130 in the oceanic trade of under 80 tons each, and 7,280 in the inter-portal trade of the country of under 20 tons burthen each,—in all, 7,410 vessels large and small.

(5) Where we once had a thousand ship-yards, there we have now just solitary 48 ports, which, however, mostly build 2 or 3 galbats a year. The yearly average number of new ships built is 125 of less than 50 tons each; and the aggregate capital laid out per annum on new ship-building may be put at between 5 and 6 lakhs of rupees.

(6) The ship-builders number 14,322, most of whom now build only fishing-boats and canoes and barges.

(7) As to the number of seamen manning the indigenous craft that we still possess, it may be roughly estimated at 50,000. The Lascars—most of them Mahomedans who find employment in British East India Steamers as menial servants, cooks or coolies,—number 43,483.

Here are some of the leading facts and figures relating to the present position of our maritime trade, shipping and ship-building. The facts are eloquent and may be left to speak for themselves.

A vast sea-board extending over a length of 4,000 miles, with a thousand harbours and secure anchorages, once important and prosperous ports, busy and flourishing marts, crowded with our own ships, barques, and brigs and barges; and each with a ship-building yard of its own and with a numerous sea-faring population, living in comfort by the industry—now, and that, too, under the rule of a nation, the greatest sea-power in the world, presenting a sad scene of desolation—a *littoral Sahara*. With its ports mostly deserted, left all but bare and stripped of its old shipping—not even 8,000 vessels plying in its waters—with its countless ship-yards closed, except 48 which together build about 125 galbats a year, with its merchant princes and

wealthy ship owners, its seamen and ship-builders all but gone and dependent for maritime trade and transport almost exclusively on foreign assistance. Such has been the tremendous collapse of what was at one period of our history one of the most extensive and prosperous industries in the land!

Unhappy India, Land of ancient renown, Chosen Home of enterprise, industry and commerce in the Orient! Is this all that remains of thy past greatness and glory, as a premier maritime nation? Thy merchants and shippers who once directed and controlled the trade of the East and on whose resourcefulness and enterprise rested thy commercial pre-dominance in Eastern waters, thy seamen renowned throughout the East for their skill and daring, and who braved the perils of the deep and visited the most distant shores, thy ship-builders once so distinguished for their unrivalled skill in naval architecture, where are their modern successors? But above all, where is that spirit of maritime enterprise which once sent forth thy brave and adventurous sons to far-off lands, East and West, for trade and settlement, and helped to build up thy extensive dominion of the sea? Gone, gone, gone for ever? No. There is a passing eclipse, a temporary collapse, albeit, so total, so disastrous, due to an unfortunate combination of circumstances over which we could exercise no control, but assuredly, it can never be a permanent feature of our position. A nation like ourselves with a mighty and glorious past behind it and a lofty mission awaiting it in the future, can have no reason to despair. Conditions and opportunities exist for revival and re-habilitation of this important industry, which are all that we should desire, excepting—of course *Laissez Faire*, the unalterably *settled* economic policy of the State,—and if we only should go about the work in the right way, learning the newer principles and the newer methods from our rulers, whose guidance in the matter would prove of incalculable value as being the greatest maritime nation in the world, and profiting by their experience and following in their footsteps, there is nothing to discourage the hope that we might before long be able to recover the ground we have lost and regain for our beloved motherland the proud position she once enjoyed as a premier maritime power in Eastern Waters.

Here, we conclude, reserving for another occasion a further consideration of this important but rather neglected subject.

A NOTE ON ECONOMIC REFORM.*

On a calm and comprehensive review of the economic situation in India, it is impossible to resist the conviction that, in spite of all the benevolent intentions and efforts of Government, in spite of railways and canals, and in spite, too, of growing trade and extending agriculture, the country is getting day by day poorer in material wealth, as well as weaker in productive capacity and energy. The fast-proceeding decay—we might almost say, the rapid collapse,—of our varied manufacturing industry, which once sufficed to meet the requirements of a growing population, is at the root of this deplorable state of things. Its re-habilitation, therefore, would appear to be an imperative necessity, if the industrial future of the country is not to be dark and disastrous.

Looking at the question in its bearings upon the recent frequency of Famine, its causes and remedies, the Famine Commissioners also have come to the same conclusion. They think that the absence of "a variety of occupations" is the chief cause of the poverty and distress of the people, and they suggest in their Report that the State should undertake, as part of its economic policy and with a view to provide an effective remedy against famine, the establishment of manufactures in the country. Mr. Justice Cunningham of the Calcutta High Court, who was a member of the Commission, writes, in reference to this suggestion, in his "British India and its Rulers" p. 236:—"Although protection from foreign invasion, the maintenance of order, and the diffusion of a feeling of security, are conditions precedent to all industrial progress, the accomplishment of these invaluable objects does not complete the task of the Government; the direct, deliberate, and systematic promotion of industrial enterprise is, though a later, not a less important duty, and its thorough recognition by the State would be the most important administrative reform of which the Indian system is at present susceptible."

Sometime ago the *Times* had the following:—

"The Indian Famine Commission having expressed its views as to the desirability of encouraging a diversity of occupations and the development of new branches of industry in India, the Government of Madras submitted certain proposals, which em-

* This contribution appeared in the Poona Sarvajanika Sabha Journal, July 1885.

braced the temporary appointment of a Government Reporter on arts and manufactures, and a Government mineralogist." ..... "Looking to the importance of the subject, the Secretary of State has accorded his sanction to the proposal."

The importance of this step taken by the Madras Government is clear. It shows that the responsible authorities, both in India and England, have awoke to the necessity of a radical change in their economic policy. The International Exhibition, proposed to be held in Bombay in the cold weather of 1887, will forcibly draw the attention of our Local Government too to the same necessity.

In the near future, therefore, we may expect vigorous efforts on the part of Government to promote what we so sadly want, a co-ordinate system of industries. A large development of manufacturing industry in the country will be the aim and the goal of such a policy.

Under these circumstances, our duty as a nation would appear to be clearly this:—We should take our proper share in the field of new enterprise. We must not be content with a subordinate part, but should take care to be principals in the concern. Particularly, we must guard against the fatal tendency to allow ourselves to be made mere *passive* recipients of the boon. Capital and skill might be imported from abroad to any extent that may be found necessary. But we must not suffer the foreigner to monopolize and appropriate the whole field to the unjust and disastrous exclusion of the children of the soil. We may borrow money from him as much as we please, and pay him fair interest on it; we may employ his skill and technical training too on condition of paying fair remuneration. But any further claim on his part, to claim the whole or part of the ownership of the field, we are bound strenuously to resist. We cannot, in justice to ourselves or to posterity, hand over our concerns in proprietary right to the enterprising foreigner. The undertakings—of whatever nature, and on whatever scale they may be,—must be our own; profits accruing therefrom must be ours too. There is surely nothing in the reason of things to prevent us from getting a fair start in the race, and having in course of time thriving industries of our own. We might hope to be able, by force of unremitting and persistent effort and watchful care, to do good business and repay the loans obtained from foreign capitalists, and be absolute masters of our own house. Nor does it look like catching at the moon to hope

that we might one day have, within the four corners of this country itself, the needful supply of skilled labour, technical knowledge and abundant capital.

The growth of foreign aristocracy of wealth in the country is to be deprecated on more grounds than one. It is not only an economic evil of the first magnitude, but a source of grave political danger. A pre-occupation of the national field of profitable investment by foreign enterprise cannot fail to be highly detrimental to the interest of coming generations. Politically speaking, if we do not misread history, power must gravitate towards property and wealth, and a strong foreign mercantile interest in the country would not fail to be a very troublesome active factor in the State; it would always be disposed to use the power and influence it could command for its own selfish aims, and dominate the action of Government in its own favour.

The growth of foreign enterprises in the country under Government auspices is, thus, in the immediate prospect, a serious danger to be carefully and jealously guarded against, and it is of supreme importance that we, the natives of the country, should claim and have our proper share in any industrial development that might be effected. There are, however, formidable difficulties in the way of our coming to the fore-front in the field, pushing aside or pushing back the competing foreigner.

(1) There is, in the *first* place, the inveterate and deep-rooted habit with us to look up to a superior for lead and guidance. Once the ice is broken and the start given, our people will move, but *not before*, of themselves and by themselves. The energy implied in a personal, independent, and self-reliant initiative,—which is one of the most notable characteristics of European progress,—is here wanting to a lamentable extent. Perhaps, as Professor Wordsworth thinks, originative talent has yet to be developed amongst us.

(2) *Secondly*, there is the striking absence of that spirit of co-operation and habit of corporate united action, by which alone large enterprises can be started, and success won. Our merchants and traders are literally a scattered body with no bond of union, each mindful only of his own business in the good old ways; our towns are simply so many *disjecta membra*, so many isolated units without coherence, seldom acting together, and hardly with any common sympathies, and each concerning itself with its own wants and affairs almost exclusively.

(3) *Thirdly*, there is dense ignorance among these regarding the very first principles of trade and economy. They scarcely know the resources of their own country, or the requirements of its several home markets, not to speak of those of other nations. How many, for instance, can tell us in what parts of India coal or iron is found in sufficient quantities to admit of manufactures being started, or where conditions exist favourable for the establishment of the silk or woollen manufacture? Or again how few know what manufactured articles are in general demand in the markets of Bengal or Punjab? Nor do they possess any tolerable acquaintance with the cardinal truths of economical science. Hardly 1 in 100 can appreciate the significance of trade statistics, or variations in the value of the Rupee, or the rates of exchange. They do not even keep themselves informed of the quotations of prices in markets other than those with which they are in immediate contact or communication.

(4) *Fourthly*, all over the country, technical skill and training are fast dying away. As long as our caste system rested strongly on the professional basis, and each caste and each family followed its own profession with almost religious devotion, mechanical skill was in a sense hereditary, and was handed down from father to son. This is no longer the case; times and circumstances have altered a good deal; professions do not follow caste or family descent; and there is irrecoverable loss of skill and training as the consequence. Besides, our products of manual skill and labour find but little sale in foreign markets, and but a limited one in our own, coming as they do into competition with cheaper and finer ones produced by Machine-labour; our skilled mechanics and artists are fast losing their calling, and are taking to the plough (*Vide* Birdwood's Indian Arts). The result is, that our labour, though we have plenty of it and cheap, is for the most part becoming *unskilled* labour, and the necessity of importing skilled labour from abroad is getting stronger in proportion.

(5) *Fifthly*, there comes the greatest of difficulties, the want of capital. There are no large accumulations of hoarded capital in the country available for investment. This was strikingly illustrated in the evidence of Mr. Westlake who was examined as a witness before the Railway Committee in London. He pointed out, by reference to the share lists of Indian trading companies, and to the history of Government loans raised in India, that all the capital that is invested in large enterprises in this country eventually comes from London; as also, Govern-

ment borrowings ultimately revert to the London Market. The Cotton Mill industry of Bombay, which alone is in the main a *native* industry, employs not more than 5½ crores, part of which capital again is European ; and the net earnings cannot exceed about 50 lakhs. We have evidently no-where in India merchant princes in the English sense of that word. We have no Barings, and no Rothschilds amongst us. The annual income per head of the population is hardly one twenty-fifth of what it is in England, or the United States.

(6) *Sixthly*, the policy of protection has been unfortunately abandoned by our British rulers. A Parliamentary resolution passed in 1878 sounded its death knell, and the recent removal of the cotton duties put the final seal to its abandonment. Our industries, therefore, however infant and undeveloped and unorganised, cannot hope to be any longer under the protecting shadow of the State, but must be prepared to face the free and unrestricted competition of the highly perfected industrial organisations of the West. Under such circumstances, it is obvious how unequal, and on the whole losing, the contest must be for us in our own markets.

(7) And, *seventhly*, what is more serious, we have already the foreigner in our midst, fighting us out of the field, with his superior resources of knowledge and skill, capital and enterprise. He has already the start of us in more branches of industry than one. He is successfully getting hold of the general carrying and shipping business of the country ; the tea and coffee industries, and the jute and skill manufactures, are in his hands ; his banking business is fast extending, especially in the Presidency towns ; and he is slowly, if not with equal success or persistent steadiness, tapping our mining industry. Here is thus on our own ground a formidable antagonist with whom we have to wrestle ; and we must never forget that he is both able and ready to step in wherever we choose or are ompelled to retire.

These are some of the difficulties we have to face and surmount at the threshold if we mean to advance, and not fall back. These are indeed great, but by no means insuperable difficulties. They can be successfully got over by boldness and the vigour of our united effort. The practical question is, how should we go about the business in view of such a situation, and in prospect of such a large manufacturing development under Government auspices, so as to be able to assert our proper claims successfully ?

It may not be out of place here to submit a few suggestions of ways and means for attentive and earnest consideration.

(1) *First* of all, we must have the Government thoroughly with us, heart and soul. Without its help in our present economic weakness and unpreparedness, we could hope to accomplish but little in the direction of national progress, in the face of such fierce competition as we are exposed to—Government must recognise the true wants of the nation and cordially identify itself with the cause of *national* industries. We must, in our present state, leave it to take the initiative, which we have neither the knowledge, nor the energy to take ourselves. It should collect, by its own professional agency, and publish in the Vernaculars, the necessary information regarding the manufacturing and mineral resources of the country. On behalf of the trading community Government should undertake initial experiments in the case of industries which might bid fair to thrive in the country, with a view to test their practicability and remunerative character.

Government has already taken the first steps with reference to the Tea, Coffee, and Cinchona industries and cannot have any reasonable objection to doing so in other cases. The chances rather are, that it would move of itself in this direction either from conviction of its necessity, or under strong outside pressure. All we should have to do in that case would be to appreciate the initiative Government might take, and follow it up with vigorous and independent efforts of our own, and not to suffer, by apathy or in action, the foreigner to come forward, and take advantage of it to our permanent detriment.

(2) In the *second* place, we must organise ourselves with a view to co-operation and associated action. In these days, without organisation there can be no vigour or sustained energy in our efforts at industrial development, nor can there be any chance of success in a field where we have to meet our foreign rivals on such unequal terms. We must have a strong central Native Chamber of Commerce for each Presidency at the Capital, with corresponding branch associations in the Districts, with duties and functions similar to those of the English Chambers of Commerce in Bombay, Madras and Calcutta, and with adequate funds at their disposal. The Central Chamber should have a monthly Vernacular magazine in which to publish its proceedings.

It would not be difficult to start such an organisation. Already we have small native trading associations in Bombay, Poona, and Sholapur, which would form a good nucleus to start from. In other towns, too, the necessary elements exist, and to establish associations, we have only to impress on the local mercantile communities the necessity for combination, and the practical aims it is sought to attain by it.

(3) *Thirdly*, among other things, it should be the duty of such mercantile Chambers to collect, and to diffuse through the medium of the Vernaculars among traders and merchants, information on matters of trade and industry, as well as on questions of taxation and finance as affecting their interests. Ample information of this kind is always available in English books, periodicals and papers, and in Government publications. and it would only be necessary to employ a staff of translators, and pay for their labour, and for the publication of translations. The cost would not exceed a few thousand rupees a year, or, cheaper still a *precis* of such information might be published in the monthly magazine of the Central Chamber *in* each province.

With a view also to create a general taste for, and appreciative interest in, such information, a step might advantageously be taken in the education of the rising generation. A study of the elements of Political Economy, [as for example, Mrs. Fawcett's little book] in a Vernacular translation, might be introduced into the curriculum of our Vernacular schools. In the large towns, these schools have, under the new Local Government scheme, now been placed under municipal management, and here the experiment may be first tried. Political Economy forms a necessary part of middle-class education in England, and, as we believe, in other countries, and with very good results. If the geography of the present standards were reduced a little, the proposed study of the rudiments of Politieal Economy would be no additional burden put on the scholars, and the change would rather be a welcome one, as it involves the substitution of an interesting study for a comparatively dry one.

These two steps, namely, the diffusion of information among our traders regarding trade and economy by means of translations or monthly periodicals, and the introduction of a study of Political Economy into our schools—are urgently called for in our present state of ignorance, for without some reform in

this direction, it is impossible to set on foot any bold industrial movement, or even to rouse a spirit of enterprise so as to lead to practical action. Nor is there any difficulty in adopting them. A magazine, if of sufficient interest and conducted with ordinary skill and care, could easily pay its way; while the suggested change in our Vernacular curriculum would not be opposed by the authorities, or felt as a hardship by the learners, and could be easily made.

(4) *Fourthly*, coming next to the want of technical training among our workmen, we must move Government to undertake it on a sufficiently large scale. There are Industrial Schools and Colleges all over France, Germany, Belgium &c., working with eminent success, and though there are not many in England, the want has been so urgently felt that practical steps will be before long taken to supply it. The subject has been lately investigated by a Royal Commission, and its final report is before the public. It recommends the establishment in the United Kingdom of a national system of technical education, pointing out its urgent necessity. Now, if this is so in England, a *fortiori* it must be so in India, where national industries are so completely out of joint. The cost would no doubt be heavy, but if we wish to stand on our own legs, and hold our own in the industrial world in these days of general progress and cultivation, we must be prepared to pay for it. The object is of such paramount importance to the future material safety and welfare of the country, that any present burden or sacrifice which might be needed should be ungrudgingly, and even cheerfully borne with a view to its accomplishment. Government has already a well-organised Department of public instruction, and can have no difficulty in taking up the additional duty of providing technical training.

(5) *Fifthly*, we must next consider the most serious difficulty of all, namely, the want of capital. It is the greatest obstacle in the way of our material progress. To meet European competition in these days on anything like equal terms, we must have large industrial establishments, where steam and machinery can be profitably employed; factories, foundries, refineries, on an extensive scale; costly machinery must be imported and skilled mechanics must be brought out from Europe and paid at a very high rate of remuneration. For organising business on such a scale, much capital is of course required, and small profits can alone be earned for many years to come. Whence can this vast capital be had, is the practical question. We have but litttle in the

country available for such investment ; at all events, we may be sure, there is not enough of it. And what little we have cannot be drawn out in adequate amounts to meet the requirements of the case, either because there is no developed system of credit amongst us, which works such wonders in Europe, or because there is extreme diffidence felt by our capitalists through ignorance regarding the thousand and one safe and profitable modes of investment. It may be that cautious people will advise us to wait till the country comes to possess the necessary amount of accumulated capital, and a proper system of credit grows up ; " but unfortunately time and tide," will not wait for us, and we shall be only throwing away opportunities which may never return. Foreign competition is growing harder and harder, and we have in the field on our ground the enterprising European, ready with his resources of skill and capital to turn the situation to his own account and with immense advantage over us. If we show the slightest hesitation and retire, he has the boldness to push his way. And if we give way now, and allow our new industries to pass permanently into his hands, not only would it be a heavy present loss to us, but it would be a sad and irreparable one to our children and children's children, who will scarcely thank us when they see the field, which ought to have been their own by hereditary right, already taken up by the foreigner.

This is a very difficult fix, and there is one, and only one way out of it, safe, sound and sure. Theoretically it might look a little bold, but practically there is nothing risky about it. In our present circumstances, we must go to Government, and appeal to it for material help in our efforts. Nothing short of such a step could save us up now, and set us well in our enterprise. The *modus operandi* may be thus briefly described.

(*a*) We should ask to be allowed to borrow in foreign markets what money we might want for the purposes of fairly starting new and untried industries, under a *State Guarantee*, on conditions similar to those on which Railway Companies are permitted to raise their capital. As the material guarantee of Government has cleared and smoothed the way for the growth of railway enterprise in this country, so will it be found effectual in helping other enterprises, of an equally important character into healthy life. It is no doubt always wise and safe as far as practicable to let private effort alone, but where it runs the risk of being nipped in the bud, its growth ought to be safe-guarded by the State, and where necessary, even promoted by direct aid.

With a Government guarantee, our difficulties will be at once considerably reduced. We should be able to get necessary money from foreign capitalists on fair terms. And we might safely consent to see our industrial establishments supervised and controlled by Government officers, just in the same way in which the Railway Companies reconcile themselves to a similar control.

Railway capital amounting to over one hundred crores has been invested in this country under Government guarantee; and this railway enterprise clearly differs in no way from any other national industry. The same reasons, therefore, that justify the present policy of State guarantee with respect to Railway lines, apply with equal force in the case of other industries of equal national importance, and justify its extension to them. Further, if foreign private enterprise still requires and receives the material support of Government, with more justice can native private enterprise claim its help in new ventures. And it would seem that Government, which allows capital to be raised for such an object as Railway undertakings under its guarantee, would have no objection to extending its help to native enterprise in establishing new industries,—which object is of equal, if not of more, importance to the future welfare of the country. The aim is the same in both cases—the development of the material resources of the country, and Government cannot well refuse its aid when our prayer is limited to the extension of the policy of Government guarantees, which has done such signal service in the case of Railway construction in this country, for objects equally important.

(*b*) We might go further, and ask Government to subsidize such new manufactories as might be established by native enterprise and to help them by bounties in their struggling periods of birth and infancy out of its current revenues. Pecuniary subventions by the State in furtherance of industrial efforts are not an unfamiliar thing in the history of economic progress in Europe. Major (now Sir Evelyn) Baring, in one of his financial statements, concedes the desirability of such State subventions for important national objects. The cost to Government need not exceed a few lakhs a year. But such direct help from the State to native industrial enterprise, especially in its initial efforts, will be highly appreciated and will have a most beneficial effect.

(*c*) At times, too, and under special circumstances, Government might graciously come forward, and reward successful

efforts in this field of new enterprise. It might give out of its annual revenues, what are known as *bounties* to deserving native manufactures which might succeed, opening up promising fields of enterprise whenever their profits may fall short of the low guaranteed average. Such pecuniary rewards will not fail to produce an excellent effect in propping up new enterprises in their first stages. It is well-known how the sugar bounties in France helped to promote that branch of industry there. Similarly, bounties are given, we believe, in Germany, with no less happy results. The generous and statesmanlike example of these countries may be usefully followed by our Government, and the cost will not be over a few thousand rupees a year.

We are aware that this policy of bounties is generally condemned by English Political Economists. Now, where, as was the case formerly in England, one class—be it of producers or importers, or distributors—is opposed to another, and is helped to do profitable business, and otherwise encouraged, at the cost of the rest of the community, the policy of granting subsidies and bounties is justly open to the objection of favouring *a class* and promoting only *sectional*, instead of *national*, interests. But in India the case is widely different. Here there is no such conflict of class-interests; the classes are not divided, as elsewhere, by hard lines. The duty of the State here is to help the entire community in its present helplessness,—and not this or that class,—as against other rival and foreign communities with which it has come into contact, and which are "rapidly pushing forward in the economical application of productive resources, in the systematic organisation of labour, and especially in the skilful and fertilizing employment of capital." The comparitively resourceless native is evidently too weak economically to stand his ground in a struggle with the powerful and go-ahead foreigner. The whole community (the consumers no less than the producers) is here interested in withstanding foreign competition with a view to future *safety*, and the State, as its representative, might be justly called upon to spend money out of the national income for what is pre-eminently a *national*, as distinguished from a purely *sectional*, object. We cannot admit even for a moment, as some English Political Economists contend, that such action on the part of the State is in any way open to the charge of being "*protective*" in the restricted and objectionable sense of the word.

It must be clearly understood that this wise policy of State guarantees, State subsidies, and State bounties, as suggested

above, is in no sense a *protectionist* policy. It has absolutely nothing to do with the so-called wasteful protection. It does not seek to interfere in any way with Freedom of Trade. It does not tend to handicap the foreigner in the race and in the national markets, nor entail any loss on the consumer whose interests particularly Free Trade professes to guard. It leaves the field of private effort entirely free. It acts only as a balance wheel to rectify inequalities, to minimise friction, and to regulate the machine of commercial competition. It is intended to raise the native trader to the level of his European rival,—the State doing only what it ought to do, as representing the collective strength of the community, to equalize the conditions of the struggle.

An independent Local Legislature here would have at once adopted protection pure and simple to guard the national interests, in this respect following the successful example of Canada and Australia. But this dependency, only in name the brightest jewel in England's Crown, unfortunately does not enjoy even that measure of Legislative independence which is generously allowed to other and less important British Colonies and dependencies. The ruling principles of our internal policy and domestic legislation are laid down for us unalterably by the Imperial Parliament where, however, we have no voice; and Free Trade, therefore, which is the declared Policy of England, is also perforce the inevitable policy of India. Any departure from it, on the part of the Government of India, even under circumstances of financial urgency and pressure, will be peremptorily interdicted by the Home Government. It is, however, forgotten,—perhaps it is not seen,—how widely the economic conditions of England and India differ, and how a commercial policy, that suits the former well, is simply disastrous, when applied to the trading relations of the latter. But we see no chance of ever getting protection from our British rulers, whose professed Gospel is Free Trade, and we reluctantly feel constrained to agree with Mr. Justice Cunningham in thinking that a policy of protection for India must be considered as altogether outside the limits of practical Indian Finance.

As a corrective, to some extent, of the evils which the Free Trade policy of Government is producing all round in this country, the above scheme of State guarantees, subventions, and bounties, has been suggested. Theoretically, it is, we contend, free from any objection. It is no more than a scheme of direct pecuniary aid by the State to set the native trader well on his legs, and encourage his struggling enterprise, as a necessary provision for future economic safety, without interfering in the least with the free movements of the foreigner or his business. The State leaves him free completely to force and fight his way as best he can, and only seeks to help the weaker children of the soil to be equal to the contest. The consumer loses nothing,—possibly he might gain eventually,—except, of course so far as he is at the same time a taxpayer. *Practically*, the action of the State on these lines would seem to be perfectly justifiable, since the cost of paying the guaranteed interest, subventions, and bounties, would be borne by the national exchequer, or in other words, by the Indian taxpayer. The maxim that what the people pay might be justly spent for their good, is as self-evident a truth as any geometrical axiom.

The scheme as sketched above, is rather a large one, but it has nothing Utopian about it. It is perfectly sound in theory and feasible in practice. It forms actually a working part of the economic policy of several continental States, and with what a happy effect, in promoting the growth and progress of national industries, may be seen, in every page of the Report of the Royal Commission above referred to as in the trade returns of those countries; and there is no reason why it should be found impracticable in a country almost similarly situated, though of course lagging behind at a great distance, in the race. To give practical effect to the scheme, all that seems necessary is that Government and ourselves should go about it in right earnest. Government would have to turn over a new leaf in its economic policy, and base its action more on *national* lines than on those of airy, abstract radicalism; while, on our part, we must open our eyes, and see clearly the facts of the situation, and, bestirring ourselves to activity, set ourselves to

the work with a steady firmness of resolve, and a patient and zealous perseverance, which alone can ensure eventual success. As to the cost, it would be certainly considerable. To institute inquiries, to make experiments, to publish information, to found industrial schools, to help new industries by direct aid in money,—all this of course will put an additional charge on the revenues of the State. But we must not grudge to pay it. On the contrary, we might assure Government of our cheerful readiness to submit even to new taxation for such a purpose. The present License Tax, for instance, might be extended to classes hitherto exempt, and when consolidated into a well-adjusted, permanent income-tax, it will fairly meet the charge of such a scheme for promoting the cause of national prosperity. Further, the growth of the industrial department is an indispensable complement of the Famine Insurance policy since a "diversity of occupations" in the country is as necessary to relieve the pressure of hunger as well as of over-population, as facilities for transport of food-supplies; and surely, the Famine Insurance Fund, which is, under present arrangements, devoted in part to railway and canal construction, might be applied also to the purpose of fostering diverse industries, with equal justice and advantage.

THE ECONOMIC SITUATION IN INDIA.*

I

The Industrial Conference.

Next, if next at all, to the political and military question of the day, the most momentous question that is occupying the minds of all thinking men in India is the question of Industrial Reform. It is a sad reflection that, though gifted by the bounty of Nature with a wealth of material resources which is inexhaustible, and unsurpassed, if not unequalled, and though placed under the blessings of Providence in circumstances the most favourable to material progress, the economic condition of India under British rule is what it should not be, and is going from bad to worse. There is a deep and deepening poverty all over the land, "such as the world has never before seen on so vast a scale." In good years, there is not much of actual want, distress or destitution, except in such congested districts as those of Behar, but as no reliance can be placed on an unbroken succession of good seasons, and famine and scarcity recur more frequently than before, there is always present, in some part of the country or other, the risk of the people over vast areas sinking, in the event of a failure of the rains, into a condition almost verging on starvation and suffering. On this point even the results of the recent inquiry instituted by the Government of India into the economic condition of the people are far from re-assuring. The inquiry brings out in painful prominence the fact that, with all the fancied material progress of the last 30 years, the struggle for life is already unbearably severe with numerous classes of the population in all parts of the country, and is getting more and more so, as time rolls by; and the dismal history of the famines of the last 20 years, with its appalling roll of 12,021,420 starvation deaths, bears mournful testimony to that utter absence of *staying power* in the masses in the land, in consequence of which they are unable to stand even a single season of deficient rain-fall or high prices, and suffer and succumb in fearful numbers "at the least touch of famine." Whether poor Political Economy is to be held responsible for such a state of things, always meekly amenable like Nature,

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in the working of her laws, to human direction and control ; or the people of the country, who are but the unhappy, spell-bound victims of time and circumstance, or the State in India which has thus far refused, in open contempt of the lessons and warnings of past experience, to direct by its helpful, *moral* intervention in beneficial channels the economic revolution that is taking place in our midst under the action of influences which permit of such direction,—the facts are there, at once sad and serious—(1) *acute, wide-spread growing poverty all over the country,* (2) *increasingly severe distress among the lower classes and* (3) *absence of economic staying power in the masses*—and these facts constitute the main difficulties of the economic situation in India with which we have to grapple. These economic difficulties, be it further observed, have their origin and fountain-source, not in the existence, as is wrongly supposed, of any defective social arrangements, obstructing the free development and play of industrial energy and resources, or even the equable distribution of wealth, as in some of the countries of the West, nor again in any marked moral deficiency in the people of the land with which Sir R. West credits them, but almost exclusivelyi n that lamentable prostration of our old, many-sided, and balanced system of national industries, as is fully recognized by the Famine Commissioners in their Report,—a prostration, which, by reducing the industrial classes in the country to one dead low level of resourcelessness and helpless dependence, renders impossible all material progress of the nation, and, with it, any adequate provision for a normally expanding population. This industrial prostration, in its two features of industrial derangement and depression, is partly the legacy of a long chequered past and partly the direct result of present economic conditions established under British rule. The problem thus, with us, is not a *socialist* problem, admitting of the application of any socialistic remedies, nor even a *moral* one to be solved by sermons on the virtues of prudence, frugality, temperance and the like, but essentially and emphatically an *industrial* problem, *viz.*, how to revive, and renovate, and re-organize our equipoised industrial system of the past on foundations strong, secure, and solid enough to stand the brunt of the free competition of the modern world, and admit of normal and necessary development. Public attention was called to the pressing and urgent importance of this problem in last December by Lord Dufferin on the eve of his retirement in his famous St. Andrew's dinner speech. With a rare perception of the gravity and danger of the condi-

tion of things developing in India under British rule, under the inexorable action of economic laws left to work without any attempt to guide or control their operation, and fully impressed with the enormous difficulties of practical remedial action in respect of it, and further convinced that the State alone was powerless to deal with a question of such unprecedented magnitude without the co-operation of the people, his Lordship, in language of deep and touching earnestness, called upon the National Congress to take it up. The response was not long in coming. Captain Beauclerk of Hyderabad and the *Indian Mirror* of Calcutta, and the Hon'ble Mr. Ranade on our side took an early opportunity of replying to the late Viceroy's call, and recognised and emphasised the necessity of the whole question being taken up by the Congress. Apparently thinking, however, that, before making that demand upon the leaders of the Congress, it was desirable, with a view to the formation of a strong public opinion on the point, that the question should undergo some preliminary investigation and discussion, it was suggested by Mr. Ranade that an Industrial Conference for the purpose should be held simultaneously with the great national gathering of December. This suggestion was welcomed with approval and sympathy by most of the leading organs of native opinion in Bengal, Madras, and this Presidency, and has since been, we are glad to note, taking practical shape. The economic evils, from which we are at present suffering are of such seriousness and magnitude that they do not admit of any effectual treatment by isolated, individual or local efforts, and that nothing short of a vigorous, resolute, sustained national endeavour can suffice to grapple with them. And we propose, in the following pages to indicate the nature and conditions of this Industrial Problem, as we understand it, to which the suggested Conference will have to address itself.

It will be convenient in the first instance to analyse the more striking features of our present economic situation, for such an analysis will enable the reader to see how far the remedial measures suggested are calculated to meet the evils from which we suffer. Before entering on such an analysis, however, we must briefly refer to some of the rose-coloured views that are entertained in several quarters on this economic question. There is a powerful school of optimist writers and speakers in India and England, with the Strachey brothers, Sir M. Grant Duff, Mr. Maclean, Sir Lepel Griffin and others at their head, who are never tired of proclaiming, in season and out of season, that we are advancing

in material wealth by leaps and bounds. Some point to our expanding agriculture; some to our growing foreign trade; some to our increasing import of the precious metals; some, again, to the continued growth and prosperity of certain industries in this country, as clear and conclusive evidences of our material progress; and it is contended that far from there being any cause for apprehension or anxiety, the country is getting richer and richer, and is rapidly entering upon an era of industrial development which is full of promise and hope for the future. Unfortunately it is not possible for us, who live in the thick of the actualities of a hard situation, to put ourselves in this self-complaisant frame of mind, and accept as true in fact a dazzling picture of a prosperity which does not exist or in which, if it exists, the people of India are not permitted to share. Many of the indications pointed to as decisive in support of such roseate views cannot be rightly regarded as such from the stand-point of the Indian people, while in regard to others the seeming benefits are made more than doubtful by being counter-balanced by the prostration and collapse of still greater factors of national prosperity. The expansion of agricultural operations that has taken place in this country during the last 25 years falls under this latter class of doubtful benefits. It has been a *compulsory* expansion, necessitated by the much greater, if not complete, collapse of other industries, and excepting where foreign planters have settled in our hill stations, it has hitherto been generally unaccompanied by any agricultural improvements worth mention. The expansion of the *foreign trade* of the country falls also under the same class. It is, as we endeavoured to show in the pages of this Journal last year, not only no source of gain to us, but on its present lines and in its present channels of development, is a source of great loss. With regard, again, to the increasing imports of the precious metals into this county, we own to a feeling of surprise, when we find such import accepted as an indication of India's growing wealth. We almost seem to think that the old Mercantile Theory, which well-nigh proved the ruin of Spain in the 16th and 17th centuries and which was supposed to be dead long since, is still a living doctrine in spite of all the crushing attacks to which it has been subjected since the time of Adam Smith, and continues still to sway the minds of Anglo-Indian writers and statesmen. With all submission, we venture to maintain that this increasing absorption of gold and silver in this country cannot be regarded as evidence of its increasing prosperity, until it can be shown that it adds to the capital of

the country which supports our trade and manufactures or even helps our agriculture. The import of gold is of course comparatively insignificant, and as it seldom reaches the masses, may be left out of account. As regards silver, nearly the whole of what we import goes to the mint and is added to the currency of the country, which does not necessarily connote any corresponding increase of working capital. It must be borne in mind that money (or what is capable of being converted into money) is only a measure of wealth, not wealth itself, and is valuable only as a medium of exchange and a convenient representative of purchasing power. When it increases without a corresponding increase of production, as it is doing in India, there is only a rise of prices of a more or less *general* character, and this is what is taking place in our country. And this rise of prices particularly in respect of commodities which are the subjects of international exchange will continue, and with it this import of the precious metals into this country will keep on, until prices, here, reach a level of equality with, from the point of view of international trade, and adjust themselves to, the prices ruling in other countries. But this process of *international equalisation of prices* is not synonymous with increase of national wealth, and the argument, that the import of the precious metals into the country,—which is only an incident of that process,—is a proof of our advancing material progress, can only be used by those who still cherish a belief in the exploded fallacies of the Mercantile System. Similarly we must, however reluctantly, decline to accept, as any indication of India's expanding wealth, the expansion of European industries in this country, and the increase in its shipping in foreign bottoms. These industries are started and owned by the European capitalist, who does not, however, come over here and settle amongst us as a domiciled native of India, but who, while living in his own native home, gets his business done out here by commissioned agents, who, too, leave the country after a temporary sojourn. These industries are thus essentially in the nature of foreign enterprises, and intensify the evil of absentee landlordism, taking away not only the rent of the land, but also the the profits of enterpise. They are Indian industries only in the geographical sense. They represent so much *adverse* foreign occupation of our total industrial field—of work and profitable investment,—and to some extent are a measure of the foreign competition we have to meet on our own soil and *from within*, in aggravation of the evils of *outside* competition. Their profits go out of the country with the skill

and experience engaged in it to enrich the foreign investor, and leave us nothing more than the hire of our labour, as drawers of water and hewers of wood. This is the typical position we occupy in respect of the vast Railway development of recent years, absorbing as it has done nearly 240 crores of rupees of foreign capital, on which 12 crores of rupees have to be made good to the foreign investor, and the State has to pay every year one or two crores out of current revenue or borrowed capital as interest charge, while India's stake in it is represented by a few crores only, chiefly owned by Native States. In the increased shipping and carrying trade, India has even a still feebler hold. On these and other grounds, we cannot permit ourselves to look upon the extension of those industries on their present lines as an accession of any permanent strength or value to the industrial organization of the country, and depend upon them as providing any permanent and reliable remedy for our economic evils. Let us not mistake the glitter of the gold which is not ours except as a dead charge, for which we have to pay heavily, and suffer ourselves to be lulled into fancied security by all the lullaby that we hoar about it. Moreover, the few native enterprises, that are like the Mill-industry of Bombay struggling into upward growth against deadly odds, are fed and nourished out of the meagre and precarious profits of foreign exchange that fall to our share, and being conducted on the basis of imported skill and foreign management are wanting in the essential elements of vigorous independence and expansive vitality, and are, besides, as yet on too limited a scale to modify, in any perceptable degree, the general situation, or afford much hope for the future.

We are thus led to the conclusion that the optimistic views have little or no foundation in fact. On the contrary all the evidence available to us, as we shall presently attempt to show, goes to prove that we are not only not making progress in this respect, but are positively falling back. The burden of proof therefore lies on those who assert or maintain the opposite.

After these preliminary remarks, we shall next proceed to attempt a brief survey of the economic situation in India, as we understand it. We agree with the Hon'ble Dadabhai Nasroji in his view that in such an inquiry, the first and most important question is, what is the gross annual income of the country? Mr. Dadabhai, working out from official figures, estimates that the total annual income of British India is about 400 crores or about Rs. 20 per head per annum. Sir E. Baring,

in his Budget speech in 1882, put it at Rs. 27. To quote his exact words :—"It has been calculated that the average income per head of population in India is not more than Rs. 27 a year, and though I am not prepared to pledge myself to the absolute accuracy of a calculation of this sort, it is sufficiently accurate to justify the conclusion that the taxpaying community is *exceedingly poor*." We will take Sir E. Baring's estimate as presumably founded on better data, and the following table, quoted from Mr. Dadabhai's pamphlet, shows how our gross annual income, even so estimated, compares with that of other countries.

Countries.	Gross earnings per inhabitant.
England ...	£ 41
Scotland ...	£ 32
Ireland ...	£ 16
U. Kingdom..	£ 35·2
Australia ...	£ 43·4
Holland ...	£ 26
Denmark ...	£ 23·2
France ...	£ 25·7
Belgium ...	£ 22·1
U. States ...	£ 27·2
Canada ...	£ 26·9
Russia	£ 9·9
Austria ...	£ 16·3
Switzerland...	£ 16
Italy	£ 12
Greece	£ 11·8
Scandinavia.	£ 17
India	£ 2 (= About Rs. 28 current exchange.)

Our income is thus about the lowest in the scale, less than $\frac{1}{20}$th of that of England and Australia, about $\frac{1}{14}$ of that of the United States and Canada, even less than $\frac{1}{4}$ of that of Russia, and is, adds Mr. Dadabhai, "only a third of that of even the countries of South America." And yet, this is the measure of our total annual gross production of wealth. This shows more clearly than anything else how deplorably low is the efficiency of our productive labour, as compared with that of other countries As it is, however, this is our total amount of gross earnings. Deduct from this income of 560 crores, the amount we have to pay in the shape of taxes. This gross revenue raised is (taking the latest figures) 50 crores, excluding Railway and opium and other *non-taxation* receipts, which, when distributed over a population of 200 million souls, gives to each inhabitant Rs. 2½ nearly as his share of the country's taxation. This paid, the balance of 510 crores or a trifle over 25 rupees a year is left to the people out of their gross annual earnings, out of which to meet their food, clothing, and sundry other charges and the balance alone can go to the account of national savings.

The next question we have to consider is, what is our necessary expenditure per head on maintenance or subsistence charges per year? There are no data for an accurate estimate of the average cost of food in India. But there is a small basis of facts, on which to found an approximate conjecture. Taking the food required to support an average adult male in strength and health to be our *unit of food*, it may be calculated that the food per head of the population on an average is $\frac{3}{4}$th of the unit. Now, referring to Jail statistics (*vide* Statistical Abstract for India for 1876-77 to 1886-87), we find that the average cost per prisoner of average strength under *rations* is, for all India, about Rs. 23-5 (which is the figure for 1885-86). In the Native Army, the cost of food is taken in official estimates at Rs. 3-8 per mensem or Rupees 42 per annum, and "compensation for dearness of food is paid to Native troops, when the cost of food exceeds Rs. 3-8 per mensem." (The Finance Commissioner's Report, 1887, page 91.) In the case of followers in the Commissariat and Transport Establishment, the cost of food is recorded at Rs. 2-8 and they get compensation for dearness of food when the cost exceeds that amount. Mr. (now, Sir) J. B. Peile, in his "Note on the Economic Condition of the Agricultural Population of India" (printed as an appendix to the Famine Commission's Report), calculates that "when millets cost one rupee per 34 lbs., the money value of the daily food of an agriculturist in full work will be about two annas per day, of which $\frac{5}{8}$ will be for grain, $\frac{1}{8}$ for vegetables and $\frac{1}{4}$ for spices or condiments,—tobacco, oil, and salt," or Rs. 45 per annum. Allowing for a lower range of prices of millets that rules in normal years, Sir J. B. Peile's estimate may be taken at Rs. 40 for an adult agriculturist in full work.

Here, then, we have four scales of diet, any one of which we may take to be the money value of our unit of food (*i. e.* food required for an adult male) *viz.*

The Jail diet	at	Rs.	23	per annum	per head.
The Native Sepoy's diet	,,	,,	42	,,	,,
The camp follower's	,,	,,	30	,,	,,
Sir J. B. Peile's agriculturist's	,,	,,	40	,,	,,

It has been before pointed out that the average food per head of the population is represented by $\frac{3}{4}$ of the assumed unit, and thus we reach the following result:—The average cost of food per head of the population in India per annum may be estimated according to the

Jail scale	at	Rs.	17·2
Native Sepoy's	,,	,,	31·5
Camp follower's	,,	,,	22·5
Sir J. B. Peile's agriculturist's		,,	30·

Now referring to the income per inhabitant in this country, which is, after paying a dead charge of taxes, only Rs. 25-8, we see that it falls far short of the Native Sepoy's scale of diet or Peile's agriculturist's scale. Our choice, then, lies between the Prison scale and the Camp Follower's scale. No one, certainly not an entire community, can be expected to consent to live, if he or they can help it, on the prison diet, which is of a punitive and corrective character. So, we fall back upon the Camp Follower's scale at Rs. 22-5 per annum, as the only one standard charge which the average amount of gross earning, that falls to the share of each inhabitant in the country, can admit of. This leaves him, after paying for his food, a small margin of Rs. 3 for other expenses as well as for savings. The cost of clothing is estimated at Rs. 1-8 per head per annum, which is a trifle over $\frac{1}{2}$ the gaol charge under that head for each prisoner of average strength—which is for all India Rs. 2-13. Add, further, to this bill of charges annas 8 for sundries per head per annum, and we have only one rupee left for each inhabitant in British India which he can lay by. The population of British India in round numbers is 20 crores and the annual saving of the country may be on this basis estimated at 20 crores of rupees. But to this saving there is a heavy set-off on account (1) of loss of agricultural cattle, and (2) of wear and tear and loss of implements, tools and other machinery of trade and agriculture. Mr. Hume, while Secretary to the Government of India in the Agricultural Department, in a

memorandum which he submitted to Government, estimated that "the average annual loss of cattle in India by preventable cattle diseases of one form or another" was 19 million beasts roughly valued at 7½ millions sterling, and in a later publication, styled "Agricultural Reform in India," he tells us that "subsequent experience and inquiry has led him to believe that this estimate materially understated the case" (*vide* page 48). As for the second item of loss, there is no official estimate to go upon, but it would not be much beside the mark to put it at another 7½ crores; and thus, the two losses together amount to 15 crores annually. Sir J. B. Peile, in his Note above referred to, in describing the results of management of an ordinary Deccan holding of 40 acres of fair land, allows 40 rupees for replacement of implements and stock or one rupee per acre; the total crop area in British India is 19 crores nearly, and on this estimate, the annual cost of replacement of implements and stock would be 19 crores in the agricultural industry alone. We prefer to take a much lower estimate, to be on the safer side, and would put the loss on these two accounts at no more than 15 crores as above calculated. Deducting this amount from the annual savings, we have left only 5 crores as the net amount of the country's savings per annum, or at the rate of *4 annas per head of population*. This is, then, our net margin in savings and that too obtained, be it remembered, by adopting as the basis of our calculation a very low standard of living, hardly compatible with the minimum requirements of healthful existence and working efficiency. And as all capital and all accumulations of capital are, as J. S. Mill tells us, the result of saving, it is upon this wretched margin of savings,—*4 annas per head per year*—that we have to rely, as things stand at present, for increase of capital in the country for purposes of industrial development and material progress. To show how we, with our 5 crores of annual savings, stand in comparison with other nations, in respect of income, expenditure and savings, we give the following table from Mulhall's Dictionary of Statistics under cost of living:—

Country.	Expenditure in Millions £.				per inhabitant in £.	Millions £.	
	Food.	Clothing.	Sundries.	Total.		National Income.	Surplus.
U. Kingdom..	473	138	482	1,093	31·3	1,247	154
France... ...	392	112	321	825	21·7	965	140
Germany ...	506	110	194	810	18·	850	40
Russia	516	122	112	750	8·8	760	10
Austria ...	320	90	152	562	15·2	602	40
Italy	204	30	48	282	9·9	292	10
Spain	123	20	35	178	10·6	188	10
Belgium and Holland ...	102	30	72	204	21·1	224	20
Scandinavia...	75	20	44	139	15·5	149	10
U. States ...	574	240	396	1,210	22·5	1,420	210
*British India [according to preceding estimate]	450	30	10	490 + 65 [taxes and losses.]	2·75	560	5

Thus our surplus (only 5 crores) is $\frac{1}{30}$ of that of the United Kingdom, $\frac{1}{42}$ of that of the United States, $\frac{1}{28}$ of that of France, $\frac{1}{8}$ of that of Germany and $\frac{1}{2}$ of that of Russia, while our cost of living (£ 2) is $\frac{1}{15}$ of that of the United Kingdom, $\frac{1}{10}$ of that of the United States, France, Belgium and Holland, and only $\frac{1}{4}$ of that of Russia. Add to this the results of the income table given before, and we see how deplorably low we stand in the scale of nations, in respect of earnings, style and cost of living, and savings. And, yet, while we earn so little, eat so little, and save almost next to nothing, we have to meet the competition of these nations in the general industrial field of the world ; but of this more later on.

The result above arrived at is, however, the *average* result both on the *income* and *expenditure* sides of the gene-

* In the case of British India, a Million denotes a crore of Rupees.

ral account. The average income is the average of an innumerable variety of incomes of every conceivable amount, large and small, both above and below the line of the mean, the latter preponderating. So also, does the figure of *average expenditure* represent every imaginable variety of style of living, from the most luxurious to the most penurious, from the richest to the scantiest, the latter going even dangerously below the minimum requirements of healthful existence. Similarly with *savings*, the *average* rate, low as it is, must discover great inequalities, corresponding to inequalities of income. The total saving cannot be more than we have before estimated, *viz.* 5 crores, but if it be more—which is not unlikely—it must be held, to the extent to which it exceeds the estimate, to trench upon that fund which ought to go to support the population in health, strength and comfort. As it is, it is small, and is confined to a small class of the community, and may therefore be left out of consideration in the general account. And thus, we come to a conclusion on the point, which cannot be better stated than in the impressive language of the present distinguished Lieutenant-Governor of the North-West Provinces. In the course of his speech on the License Tax amendment Bill in 1885, Sir A. Colvin described the masses of the people as "*men whose income at the best is barely sufficient to afford them the sustenance necessary to support life, living as they do on the barest necessaries of life.*" (The italics are our own). The same conclusion is stated in a recent Resolution of the Government of India on "the Economic Condition of the People," published in October last in these words :—"There is evidence to show that in all parts of India there is a numerous population which lives from hand to month, is always in debt, does not save, and has little or nothing to fall back upon in bad seasons." (*vide* para. 4.) Individual authorities, both official and non-official, go much further. It is not only that the mass of the people live from hand to mouth from year's end to year's end, but it is asserted that large numbers "go through life on insufficient food." Sir Charles A. Elliot, K. C. S. I., P. W. Minister of the Governor-General's Council, writes :—"I do not hesitate to say that half of our agricultural population never knows from year's and to year's end what it is to have their hunger fully satisfied" (*i. e.* about 70 millions). The opinion of Sir W. Hunter is well known. "40 millions," says the late Director General of Statistics to the Government of India, "go through life on insufficient food" (*i.e.*=more than the whole population of France or Spain). Mr. Harrington, Commis-

sioner of Fyzabad maintains that "the assertion that the greater proportion of the population of India" suffer from a daily insufficiency of food is "perfectly true as regards a varying but always considerable proportion of the population for a considerable part of the year in the greater part of India." The Government of India refuses to endorse such a gloomy view of the economic situation, and so also, does the India Office, as appears from a recent Memo. on the results of Indian Administration during the past 30 years. But the results of the Government of India's recent inquiry, as summarised in an Appendix to the October Resolution above referred to, are more or less of a negative character, and are otherwise far from satisfactory on the point. The Provincial results are thus broadly summed up :—

(1) The Bengal Government writes: "the general result of the enquiry is that in the greater part of the Lower Provinces, the industrious classes find no difficulty in supplying their primary wants and are, as a rule, well-nourished." It admits, however, on the testimony of local officers that in Behar, the labourers, including petty land-holders, who form 40 per cent of a population of 15·3 millions, "can earn a very scanty subsistence." In the language of the local officers, they "can only take one full meal instead of two."

(2) The North-West Provinces and Oude Government consider that "the consensus of opinion is to the effect that the people are not generally underfed." Sir A. Colvin, however, "disclaims optimist views."

(3) In the Punjab "in ordinary times, the greater proportion of the population does not suffer from a daily insufficiency of food, but in times of *unusual* scarcity, *not* amounting to famine, and high prices, the poorer classes, whose standard of living is very low, are no doubt reduced to great straits, and do not get a sufficiency of food."

(4) In the Central Provinces, Mr. Mackenzie's general conclusion on the whole inquiry is that "there is, no doubt, in these Provinces a great deal of poverty, but there is very little distress. The people are well-fed and the only section of them who can be said to be hard-pressed for bare subsistence are the hill tribes."

(5) In the Bombay Presidency, with the exception of the Ratnagiri District, it may be said that the people are "in fairly good circumstances." It is, however, admitted that,

in the lower strata of the population, "classes are found who live below the standard of 2 pounds of grain per man."

(6) The conclusion of the Madras Government is "that no considerable proportion of the population suffer from a daily insufficiency of food in ordinary years."

The cautious and qualified language of the expression of opinion by the Provincial Governments on the general results of the recent inquiry is striking and remarkable, and, as is but natural, it seeks to hide from public view the more serious evidences of daily privation and distress contained in the reports of subordinate officers. In Midnapore District, for instance, in Bengal, the native Settlement Officer writes: "The ryots live from hand to mouth. Two full meals of coarse rice per day are a luxury to them." "Their physique has deteriorated from insufficient food and constant attacks of malarious fever." In Pooree, Dr. Sandel, Civil Surgeon, thinks that "the poorer classes are not properly fed or clad. They barely subsist on coarse rice and a spinnage curry cooked without oil. As a rule, they do not have more than one meal a day." In the North-West Provinces, the Commissioner of Allahabad remarks in a general way that the normal condition of the poorer classes of the people is one of semi-starvation; and the Collector of Banda writes "that a very large number of the lower classes of the population clearly demonstrate by their poor physique that they are habitually either half-starved or have been in their early years exposed to the trials and severities of a famine." In Punjab, in the Jallundur Division, Rai Maya Dass, Extra Assistant Commissioner, speaking of 33 exceptional villages in the Ferozepore District, says "that many of the people lie down hungry in the evening and seldom get sufficient for both meals during the 24 hours." In Shahapur, Mr. Ghulam Farrid Khan, Extra Assistant Commissioner, "holds that ½ per cent of the Hindus live at starvation point, and that 10 per cent have an insufficient quantity of food, while 4 per cent of the Mahomedans are at starvation point, and 20 per cent do not obtain sufficient food." In Bombay, in the Ratnagiri District, "the Ghat cultivators for the most part cannot get enough to allay hunger in the hot weather; Mr. Rand says one-fifth cannot, and according to Mr. Candy, one-fourth cannot get sufficient food for several months." In Madras, in North Arcot, the Collector states [the Government Reviewer calls the statement a burst of rhetoric] that "grinding poverty is the wide-spread condition of the masses;" and

two Missionaries also agree in thinking that "many poor people who, though they do not actually starve, go through life on insufficient food."

There is also evidence in this Government Resolution and its Appendix to show that there is much distress amongst particular classes all over the country.

Bengal:—In the Dacca Division, it is observed that the weavers, potters and some other classes or castes, who cling to an hereditary employment in places where it has ceased to be remunerative or in numbers exceeding the demand, are no doubt in bad circumstances. So, also, in Central Bengal, "the weavers are badly off." In Behar, local officers write of the weaving class that "it has little chance of improving its condition." The Collector of Bhagalpore says, "the weaver is the worst-fed man in the village community."

North-West Provinces:—"The Collector of Ghazipore admits that a few weavers here and there know what it is to want a meal."

It is also clear that in many parts of the country a very low standard of life prevails.

Punjab:—In the Delhi Division, it is remarked, "there appears to be no actual want of food, but the standard of living is perilously low."

Bombay:—"In Gujerat, many of the early tribes live during the hot weather more or less on roots and mowra flowers, are miserably clothed and housed, and degraded by drink." In Ratnagiri, "near the Ghats, the people subsist largely on roots and wild vegetables, mangoes, and jack fruits."

North-West Provinces:—The Collector of Shahajahanpore says, "the poorest classes eat only the coarsest and cheapest grains."

There is also ground for fear, we think, that with considerable number of the population, the standard of life is deteriorating. In regard to the consumption of salt, for instance, which undoubtedly is with us, as the late Professor Fawcett declared, as much a necessary of life "as the air we breathe or the water we drink," Dr. Cornish, late Sanitary Commissioner, Madras, in reply to the inquiries instituted by the Government of India, stated "that actual experiment had shown that nearly

an ounce of salt is eliminated by the human body daily, and that to replace this waste, at least from ¾ to 1 ounce daily *i. e.* from 17·1 to 22·3 lbs. annually of alimentary salt should be consumed;" and some decades ago, the consumption of salt in this country did approach, if it did not reach, the level demanded by the laws of sanitary science. Now, however, it is barely 10 lbs. per head on an average. Mr. Mulhall writes in his Dictionary of Statistics: "the consumption in the United Kingdom averages 40 lbs. per inhabitant for cooking or condiments, the rest (of 72 lbs. average consumption) being used for chemicals, manure &c. Reduced death rate and higher efficiency of workmen are results of the greater consumption of salt."

The general results of this survey of our economic condition may now be summed up thus:—

(1) That, as things stand at present, the people earn little, spend little, and can save next to nothing—a small class alone being in a position to save. There is neither a grain nor a money reserve to fall back upon.

(2) That a very large, though varying, mass of the people live from hand to mouth on insufficient and unwholesome food; and even in good seasons being entirely dependent on agriculture, with the first failure of rain, they invariably become helpless. Sir C. A. Elliott estimates the number of half-starved people at 70 millions, and Sir W. Hunter estimates them at 40 millions. In the words of the Government of India, there is always a risk, in the event of failure of rain, that the more indigent class of the people may be over-taken by distresses in various degrees and forms.

(3) That with numerous classes in the country, both agriculturists and non-agriculturists, the struggle for existence is very severe, and that the standard of life is already dangerously low.

(4) That in all parts of India, signs are not wanting to show that in the case of considerable numbers the standard of life is deteriorating.

These four features mark the situation as far as could be gathered from available data, the last being the most serious. No greater misfortune can befall a nation than an enforced deterioration in its standard of life, and nothing usually proves so

destructive of its industrial *morale*. A high standard of comfort is the *vis inertiæ*—the resisting moral force which nerves us to greater exertion and endurance in adverse times, and enables us to tide over them. The worst misfortunes that can befall a nation have no terror, if they do not depress its standard of comfort, and the blessings of enforced tranquillity become a curse, when a nation slides itself into willing reconciliation with a lower standard of life. The consequences of a low scale of living among our labouring classes are making themselves felt in many directions. There has set in, in the lower strata of the population, the evil of physical deterioration, which there is no mistaking. In parts of North India and Madras, local officers make casual reference to the fact of this fall-off in the physique of the lower classes. In Nellore, the Civil Surgeon, remarking that criminals always increase in weight after they have been in jail some time, thinks that a large number of the population do not get sufficient food to develop their muscles. Rise in weight of prisoners during incarceration is noticed in Madras and other Provinces, and, though variously accounted for, is significant on this point. In Midnapore District, the native Settlement Officer distinctly refers to this fact of deterioration of physique following on insufficient food. Indian labour is thus losing in efficiency and is already condemned as deficient in working energy; and inefficient labour means deficient production. In stating the experiences of the Bombay Mills on this point of comparative efficiency of Indian labour, as compared with English labour, Mr. Cotton, in his speech on the subject of factory legislation for India at a meeting of the Bombay Mill-owners' Association held in December 1888, said: "The Indian Mill with 6000 spindles less than its English competitor requires 3·4 times as many hands to keep its machinery going." Similar, too, is the experience of the public Works Department. In brick-work of the first class, 6 native brick-layers are required to lay 1520 bricks in 10 hours, which 3 English brick-layers can do in the same space of time. The *recruiting* operations of the native Army also serve to throw a side-light on this point, and the preference shown by our recruiting officers—notably in Punjab and Bombay,—for Beloochees and other men of the trans-Frontier States, as being superior in physique over native recruits, is significant in this connection. The cumulative effect of these and other facts of a similar nature is to show how very real and serious is this evil of physical deterioration—resulting from inadequate or unwholesome food, in the case of the lower classes. A further consequence

of the fact of large classes in this country living on insufficient or unwholesome food is seen in our mortuary returns. The registered death-rate for the whole country is about 24 or 25 per mille, but as Mr. (now Sir C. A.) Elliot, in his note on Vital Statistics appended to the Famine Commission's Report, observes, "there can be no doubt that the whole of the deaths that actually occur have never yet found a place in the mortuary registration;" and Dr. Cornish states:—"It will be quite safe to say that the figures in the registration tables do not account for more than two-thirds of the actual mortality." It is therefore assumed in official estimate, "that the true rate of mortality in ordinary years is about 35 per mille" *i. e.* about 7 million deaths per annum for a population of 200 millions. This is certainly a very high general rate of mortality for the country—much too high as compared with that of other nations:—

Death rates for countries.		
United Kingdom.	21·2	per mille.
France	23·6	,,
Germany	27·1	,,
Austria proper	30·8	,,
Hungary	38·9	,,
Italy	29·9	,,
Spain	29·7	,,
Belgium	22·7	,,
Holland	24·6	,,
Denmark	19·7	,,
Sweden	19·2	,,
Switzerland	24·0	,,
	[Mulhall's Dict. of Statistics.]	
India	35	,,

It will be seen from the annexed table that our death-rate is exceeded only in Hungary, while in all other countries the rate is much lower than ours. Mr. Justice Cunningham, writing on this point, says, it is possible to bring down this heavy death-rate of the country to 25 per mille *i. e.* reduce the annual number of deaths from 7 to 5 millions, remarking that "the experience of the Army and Jails, where the mortality has been reduced to a much greater extent, suggests that these two millions of deaths arise from causes that are in one sense preventible—bad and insufficient food, and generally insanitary conditions of life." (*Vide* British India and its Rulers, pages 11-12). Fever-mortality has an important bearing on this point, as being due as much to an inadequate or unwholesome diet as one of its predisposing causes as to an insanitary living; and we quote the following figures from the Statistical Abstract for British India:—

No. and Ratio per mille of Deaths for 1880-86.

(000s omitted.)

Year.	Fevers.		Other causes.		Total.	
	No.	Ratio.	No.	Ratio.	No.	Ratio.
1880	2,748	14·67	1,180	6·2	3,928	20·9
1881	3,179	16·76	1,381	7·2	4,560	24·
1882	3,128	15·74	1,629	7·2	4,757	22·9
1883	2,883	14·50	1,722	8·6	4,605	23·17
1884	3,309	16·70	1,930	9·7	5,239	26·44
1885	3,396	17·19	1,773	9·	5,169	26·17
1886	3,470	17·57	1,535	7·8	5,005	25·33

From this table it will be seen (1) that fever-deaths account nearly for 66 to 70 per cent of the total mortality of the country and (2) that these deaths—which in many cases bear a close connection with enfeebled health, arising from long privation,—show a large increase in 7 years from 1880-1886 having risen from 27½ lakhs to about 34½ lakhs—an alarmig, increase of 7 lakhs in 7 years or one lakh per year. The masses of the people of India earn only a pittance, and being increasingly dependent on a precarious, single industry, live on insufficient food, save nothing, and being forced to be content with a lower standard of comfort are being reduced in physique and thus become inefficient labourers and easily succumb to disease. All these results are moreover due, not to any defects in our social arrangements, but chiefly, we might even say solely, to the economic cause of our earning-power being so deplorably low. This is the greatest difficulty of the economic problem in India, which we have to grapple with. Such are the broad out-lines of our economic position and such are its results. A whole nation, forming one sixth of the whole human race and justly claiming to be one of the proudest races on earth, lives from year's end to year's end on scanty food, always with the dismal cloud of famine hanging over its head, and that, too, while living under a Government, which making allowance for the imperfections inseparable from alien rule, is one of the best, the purest, and the noblest Governments, the world has ever seen. This marks the serious magnitude of the industrial problem which confronts us in India. What is this economic position due to? What must be its cause or causes? What can

be there so rotten or diseased in the heart of the national system of which the position above sketched can only be accepted as a surface symptom? The question is a difficult one to answer, but demands an answer. The situation, as we find it in India, is in fact almost unprecedented in the economic history of the world, and appears to outside observers well-nigh inexplicable. Various explanations are suggested of the poverty of the people of this country,—a poverty almost bordering on destitution. We will here notice only two of these as being the most plausible and widely accepted, but only to reject them as inadequate or unsatisfactory. These are (1) a too rapid increase of population dangerously out-running subsistence, and (2) the general thriftlessness of the people. Now as to *increase of population*, high authorities make a serious charge against us that we are multiplying in numbers beyond our means of support in utter disregard of all those Malthusian restraints, which prudence and fore-thought dictate and demand. Lord Dufferin, in his St. Andrew's dinner speech, forcibly referring to this evil, asked:—"Above all, what land is exposed to such imminent danger by the overflow of the population of large districts and territories, whose inhabitants are multiplying beyond the numbers which the soil is capable of sustaining?" Sir W. Hunter still more forcibly writes thus in his "England's Work in India" on the point:—"The permanent cure for over-population rests with the people themselves, and consists in those restraints upon marriage (obviously referring to reckless and infant marriages) to which all nations of small husbandmen have sooner or later to submit. But we cannot wait till that compulsory lesson is learned; for, meanwhile, millions will perish. Over-population in India is the direct product of British Rule. We have taken to ourselves the responsibility by removing the previous checks upon the increase of the people—checks which, however cruel, are the natural and inevitable ones in Asia and which take the place of the prudential restraints practised by the peasant farming races of Europe." Now in respect of early marriages, the evil is an admitted one, and great exertions are being made to counteract its effects, but it is open to doubt whether the substitution of adult for early marriages on the European model will have precisely the effect anticipated from it, and European experience does not justify the anticipation that it will operate in any perceptible degree towards reducing our rate of increase. Lastly, as to reckless marriages and increase, the Political Economist, we think, will have to admit that whatever real recklessness in this matter is discoverable in

this country is chargeable against the wretched economic condition of life, to which we have been reduced, and which is such as to weaken considerably the strength of all prudential considerations. But while saying all this in reply to the allegation of reckless multiplication, the question fairly arises whether there is after all any foundation in fact for the allegation made against us. Let us appeal to figures—and see how far they support the charge. Here are some figures relating to annual percentages of increase of population in different countries :—

Per Cent increase per annum.

England and Wales	...	1·37	
United Kingdom	...	1·32	
France	...	·16	
Holland ...	...	1·13	
Germany ...	...	1·24	
Denmark ...	...	1·2	
Sweden... ...	...	1·2	
Italy	...	·7	
Spain	...	·8	
Austria	...	·8	
India	...	1	
N. W. Europe	...	1·15	
Europe ...	...	1·06	

The census of 1881 in India as compared with the previous census of 1871 showed the total increase in 10 years only of 7·36 per cent or ·73 per annum, but allowing for the abnormal mortality of famine years, the rate of increase is estimated at one per cent for British India. In many European countries, it has to be noticed that emigration serves to keep down the annual percentage.

It is thus clear that the people of India, with all their supposed advantages of climate and habits of reckless and early marriage, are not multiplying any faster than most of the nations of Europe—rather the reverse. Our rate of increase is less than that of the United Kingdom, Germany, Holland, Belgium and even than the average rate of N. W. Europe, or Europe, and exceeds only that of France, Italy, Spain and Austria. What is there, then, we may be permitted to ask, in our annual rate of multiplication, so abnormal and so extraordinary as to call forth a solemn warning from Lord Dufferin on the eve of his retirement, or provoke the despairing comment of Sir W. Hunter above quoted, or justify the rabid remark of a Scotch

paper that we are "multiplying like rabbits"? That our rate of annual increase is not only not high but is comparatively so small, is a fact, which, we submit, speaks volumes for the instinctive regard of the people of this country for those prudential restraints on which Mathusian Economists lay so much stress, and for which we are fairly entitled to take credit.

But even admitting that the people of India, at least in some parts, do multiply as fast as is supposed, we cannot see how that single fact of rapid increase of numbers can suffice to account for all the poverty and want that prevail in this country. Increase of numbers is *per se* not necessarily or always an evil, as Malthusian writers assert. The Malthusian doctrine of over-population is only a hypothetical truth, essentially resting on an assumption, and is not by any means of general and unqualified validity. It is not at all times and in all sets of conditions true that population tends to out-run subsistence. No doubt, when a country reaches the limits of its material resources of production and no further development by the application of science, skill, or labour, is possible, such increase constitutes a grave evil and will have to be provided against. In most countries and especially in countries like India whose material resources of productive wealth are still awaiting the hand, the skill, and science of man, increase of population—other things being favourable—will mean increase of wealth, and will be an advantage all round rather than a curse as Malthusian Economists would expect. In a recent number of the *Westminster Review*, an able writer, in an article on "Statistics *versus* Malthus," put this point very clearly by citing figures for simultaneous increase of population and increase of wealth. We give below figures from Mulhall's Dictionary of Statistics :—

Population and Income at various periods in the United Kingdom.

Year.	Population.		Income.
1806	15 Millions	...	170 Millions £.
1840	26·5 ,,	...	540 ,,
1882	34·6 ,,	...	1,247 ,,

In France.

Year.	Population.		Income.
1780	26 Millions	...	160 Millions £.
1800	27 ,,	...	216 ,,
1820	30·3 ,,	...	315 ,,
1840	34 ,,	...	480 ,,
1882	37·6 ,,	...	965 ,,

With these figures before us, we may well ask whether the Malthusian law of the *geometrical* increase of population as compared with the *arithmetical* increase of production is not in abeyance here? Increase of population in this case means increase of productive labour, and such increase, when accompanied by the growth of conditions which make labour and capital more efficient, ought to lead to increase of production, whatever Malthusian writers may say to the contrary. India is described officially as a country of "unbounded material resources" She has large tracts like the Central Provinces and Burmah, Assam and the Punjab Doabs, capable of supporting a much larger population than now exists; she has a reserve of about 78 million acres available for food-crop cultivation, as her prosperity and population increase. She has a large non-food-crop area fitted to grow fibres and dyes and oil seeds in as large quantities as the whole world requires; she exports even now 28 million cwts. of rice and 8 million cwts. of wheat to foreign countries. She has also her valuable mines of coal and iron yet unworked. But, above all, she has—if she is only allowed to avail herself of it—the science and skill and capital of Europe at her command for purposes of her industrial expansion. Under these circumstances, the Indian Political Economist cannot subscribe to the Mathusian doctrine and admit that increase of numbers in this country must necessarily be the evil it is said to be. On the contrary, he has reason to maintain that such increase of population ought to be a source of increase of wealth. The source of mischief lies not so much in the fact of an alleged over-population as in the admitted and patent evil of under-production. This is the direction in which we must seek for the key of the economic problem. There is always a normal ratio between population and production which determines the average standard of life of every community. When both population and production advance at an equal and normal rate, the ratio is maintained and there is no disturbance of the national standard of living.

When, however, population multiplies at an abnormal rate while production keeps up its normal level, there is properly speaking the evil of *over-population*. But when production falls off while population is advancing at its normal rate, we have what we may call the evil of *under-production*. The capitalist Political Economy of the West, looking only to one term of the ratio, confounds the two evils—in their nature so different, and styles them as *over-population* in either case. In India, as we have seen before, population is not increasing beyond its normal rate, and if the total production of the country does not come up to the level of its requirements, where there is such a wealth of material resources, we have clearly not what Political Economists call the evil of *over-population* to deal with, but the evil of *under-production*, which they do not recognise.

But there is another explanation suggested of our existing poverty. It is attributed to our living beyond our means. "The absence of thrift," says the writer of the Appendix to the Government of India Resolution of October, 1888, "is a very prominent characteristic of the people." This charge of thriftlessness or reckless over-spending is a charge analogous to that of reckless over-multiplying noticed above. But as in the one case, so in the other, over-spending like over-multiplying is a relative, not an absolute, quantity. There is a determinate normal ratio, here too, between spending and earning, and as there is the evil of spending more, so is there also the evil of earning less. If in India, we spend more—and there is no denying that we do so occasionally—than the wretched amount of our present earnings, but by no means more than is required for healthful existence and we are habituated to spend, there is the evil, not of *over-spending* but of *under-earning*. If our earning power is so low as at present, and our income hardly ever comes up to the level of our necessary expenditure, the evil does not lie in our over-spending propensities, but in those conditions of industrial life in this country which keep our earnings so low.

Let us see what is the extent of this evil of our low earning power as compared with that of other nations. The whole income of British India is officially estimated according to Sir E. Baring at 27 rupees per head per annum or taking the population of British India to be, say, 200 millions, in round numbers, at 540 millions sterling (according to the conventional rule of

£1=10 rupees). The agricultural population is put down at 80 per cent of the total, or say, 160 millions; that engaged in other industries being the remaining 40 millions. The estimated gross value of the total agricultural out-turn of the country is, according to the Famine Commissioners, about 331 million £ or say £ 2 per head of rural population. The yearly out-put of other industries is 210 millions £, which, when spread over the population of 40 millions engaged, would show £ 5·2 as the income per head. How do these two classes of incomes in this country compare with those of other countries? We give the following table prepared from figures given in Mulhall's Dictionary of Statistics :—

Country.	Agricultural income.			Non-Agricultural income.			Total income per head
	Rural population.	Total income.	income per head.	Population in other industries.	Total income.	Income per head.	
United Kingdom	12 Millions £.	266 Millions £.	£ 22·5	22·6 Millions £.	981 Millions £.	£ 45	£ 35
France	18 ,,	444 ,,	,, 25	19·4 ,,	521 ,,	,, 27	,, 25
Germany.....	23 ,,	456 ,,	,, 20	22·2 ,,	394 ,,	,, 18	,, 18
Russia ...	56 ,,	509 ,,	,, 9	28·4 ,,	251 ,,	,, 9	,, 9·0
Austria	25 ,,	322 ,,	,, 13	12·8 ,,	280 ,,	,, 23	,,16·3
Italy	17 ,,	178 ,,	,, 10	11 ,,	114 ,,	,, 10	,,10·7
Europe.....	174 ,,	2,617 ,,	,, 15	138 ,,	2,823 ,,	,, 21	,, 18
United States.	25 ,,	604 ,,	,, 24	25 ,,	816 ,,	,, 32	,,27·2
Canada	2·5 ,,	68 ,,	,, 21	2·2 ,,	60 ,,	,, 40	,,26 2
India	160 ,,	331 ,,	,, 2	40 ,,	210 ,,	,, 5·2	,, 2·7

The foregoing table brings out in striking and startling prominence the fact of the present wretched *earning-power* of our productive labour, agricultural and non-agricultural alike, as compared with that of other nations. (*Vide* Cols. 4 and 7). The yearly value of our agricultural labour is thus only

$\frac{1}{12}$th.....Of what it is in France, the United States, and the United Kingdom.

$\frac{1}{10}$th.....Germany and Canada.

Less than $\frac{1}{8}$ .....Austria.

,, $\frac{1}{7}$ .....Europe generally.

So, also, the annual earning-power of our non-agricultural labour is—

$\frac{1}{9}$ of what it is in the United Kingdom.

$\frac{1}{8}$ .....Canada.

$\frac{1}{6}$ .....United States.

$\frac{1}{2}$ .....Russia.

$\frac{1}{4}$ .....Europe generally.

Here we seem to get a measure of the comparatively low earning-power of our labour in the agricultural as well as in the non-agricultural field. On the other hand, the difference between our average standard of expenditure and the average standard of necessary expenditure in Europe and America is also considerable, though not so marked. We confine ourselves to the statistics regarding necessaries of life.

A few figures are quoted below from Mulhall's Dictionary on the point.

Yearly consumption of necessaries per inhabitant.

United Kingdom	£ 7-2
France	£ 5-4
Germany	£ 5-8
Russia	£ 3-4
Austria	£ 4-16
United States	£ 6-6
Average	£ 5-6
India	£ 2

The foregoing table shows clearly how, comparatively, our present standard of life is about the lowest and the worst—scarcely compatible with healthful, not to say comfortable, existence, and we are already experiencing the evils, though yet to a limited extent, of physical deterioration and premature and

heavy fever-mortality. Under these circumstances, moralists may spare themselves the trouble of reading us moral lessons on the virtues of frugality. We are already learning these lessons in the hard school of adversity, in which we are at present placed. We know the value of frugal living and the evils of extravagance, but we also know the far more counterbalancing evils of a deterioration in our standard of life. This standard has already fallen low in spite of all our resolute efforts to resist such deterioration. But surely, we cannot be expected—as indeed no self-respecting community can be expected—permanently to submit to such a deteriorated standard of life as is represented by that of an Army Commissariat Follower. We cannot rest contented but will strive and struggle till we succeed in improving the efficiency of our labour, and our earning-power and with it the standard of our life and comfort.

No impartial judge of the situation, we think, will, for a moment, be disposed to lay the responsibility and blame for this state of things at the door of our poor industrial classes, who are in this matter only the involuntary victims of a combination of circumstances over which they have no control. After all that is said against him, the industrial worker in India is not the thriftless, reckless and indolent person he is often by ignorant and careless observers, depicted to be. All things considered, he is one of the most hardworking, the most frugal, and the most orderly workers in the world. He is patient, persevering, and contented. He is not given to indolent habits and is not disposed to take long holidays. He has indeed an aversion to change, and seldom takes kindly to new pursuits. But even in these matters he is not obstinately disposed to resist changes. And yet the industrial worker of the country cannot earn even $\frac{1}{10}$th of what his foreign rivals are able to do under apparently less advantageous circumstances. But the fault certainly is not his. He is terribly handicapped in the race. He knows not how to help himself out of this difficult dilemma of industrial life in India.

On a broad view of the matter, the difficulties of his position seem to fall under one or the other of the following two heads :—

(1) A daily increasing stress—of *foreign competition* which he is unable to with-stand,—resulting in (*a*) a continued curtailment of the industrial field available to him in the present state of his industrial resources, (*b*) a corresponding

continued adverse appropriation of large portions of that field by the foreigner, and (*c*) a general industrial depression extending over every branch of his industry and involving a diminution of opportunities for the expansion of profitable work.

(2) Want of adequate means by which he can resist the advance of the foreigners and enlarge his own sphere of business —want of capital, want of technical training, want of industrial appliances of an improved type, want of practical acquaintance with methods of organised action.

Let us examine at some length the practical working of these two causes, which conjointly seem to keep down the Indian worker's earnings at so low a point. First, then, as to *competition* :—The competition which the industrial worker of this country has to face is to him, in his present circumstances, not a healthy or advantageous competition. Wherever he turns, whether in the field of agricultural labour or in that of manufacturing or artistic industry, he has the foreign competitor face to face with his superior resources of capital, skill, and associative organization to dispute the field with him and to push him aside. The contest is to him unequal, and, though he struggles hard, he finds himself unable to hold his own and retires—is compelled to retire—from field after field of productive industry in his own country, leaving his foreign antagonist master of the situation. Wherever he still continues to strive against his rival in the field, he does so on the inevitable condition of consenting to do his business at a permanent loss.

The competition to which he is thus exposed is competition of every conceivable description. It is *competition from without* as measured by the continued expansion of our import trade, which floods the country with finished products and obliges him to confine himself to the servile, because less intelligent and more precarious, position of a supplier of raw agricultural and other products of great bulk and small value. It is *competition from within*, as marked by the growth of foreign industries in the country,—thriving on resources which are ours—which bring him little or no return besides the wages of labour, while the profits and the skill and the intelligence are all monopolized by the foreigner. It is the competition of the giant with the dwarf, of the great powers of nature and the skill of science with untutored man. The pressure of this many-sided competition, with which he is confronted, as yet shows no sign of abatement. It is still growing—growing in exent and severity—with every new mile of railroad opened for traffic and with every new line of steamers entering our ports; and each year as it passes

by, leaves him weaker to maintain his ground in the contest As things are, the industrial worker of this country stands in the struggle perfectly helpless and hopeless. He has not the requisite resources of capital, skill and organization at his command with which to help himself, nor can he look for help in any direction. The State, which alone can help him and help effectually, and which ought to help him with its vast credit and great resources, rules him in the interests of foreign trade and industry, and not only withholds its help from him, but, under the influence of economic theories which, whatever their theoretic soundness, have no application to the circumstances of the country, thinks it its duty to help his rival, already so strong with the strength which a superior civilization gives him, by every means in its power—by its fiscal measures, by its forced forward P. W. policy, and by its pioneering enterprize.

This formidable competition of the foreigner, thus strong and helped, has prevailed for nearly half a century past in a more and more intensified form, and we now see the result in the utter prostration and collapse of the industrial system of the country, which presses most heavily on the Indian working classes. The unrestricted competition of the world has thus resulted (1) in a vast, almost revolutionary and disastrous *derangement* of our national system of co-ordinate industries, (2) foreign *exploitation* on an increasingly extended scale, taking up branch after branch of that field, and (3) a severe and extensive industrial *depression*, with its enervating despondency killing out all hope of bettering one's condition by self-exertion and mutual co-operation.

As for the *industrial* derangement, it is measured by a startling disparity in the relative numbers of the population engaged in different occupations. The following figures are given in the Statistical Tables for British India :—

The male population of India is thus classified according to occupations :—

Government Service and Professions	3,027,000
Domestic occupations	2,489,000
Agriculture	52,029,000
Commerce	3,238,000
Industrial occupations	12,659,000
Labourers	7,248,000
Non-productive &c.	49,248,000
Total	129,938,000

The last, division includes boys under 15, numbering 48·7 millions. So then, taking the male adult population, the proportions engaged in different industries stand thus :—

Government Service and Professions	...	3·7 per cent.
Domestic Service	...	3·1 ,,
Agriculture	...	65 ,,
Commerce	...	4 ,,
Industrial occupations	...	15·7 ,,
Labourers	...	9 ,,

These proportions are to be read in the light of the Famine Commissioners' remark that "many artizans and professionals, besides their trade, own and cultivate land and must be added to the population that lives on the soil as much as the greater part of the labouring population." "It is probable," they write, "that 90 per cent of the rural population or rather more than 80 per cent of the total population is closely connected with the land." Let us analyse the census figures a little further to see the force of this explanatory remark of the Famine Commissioners. The following table relative to the classification of the male adult population of India according to occupation is prepared from figures given in the Statistical Abstract :—

[000s omitted]

Industry.	In Towns.	In villages.	Total.
Mercantile men	246	495	741
General dealers	155	641	796
	401	1,136	1,537
Manufacturers (Craftsmen)			
Cotton and flax ...	471	2,071	2,542
Mixed materials ...	25	26	52
Silk	30	20	51
Wool and Worsted ...	47	126	178
Wool	55	170	235
Hemp and other fibre Materials	18	88	108
Paper	4	3	7
	650	2,504	3,173

Industry.	In towns.	In villages.	Total.
Metal workers.			
Iron and steel... ...	57	372	454
Brass and other mixed metals	38	78	123
Tin &c.	7	2	10
Copper...	6	4	10
Gold and Silver ...	126	317	459
	234	773	1,056
Other Crafts.			
Earthen Ware ...	53	498	551
Stone and clay ...	114	539	667
Bomboo, Cane &c. ...	74	321	403
	241	1,358	1,621
Salt	5	57	63
Drinks and stimulants.	120	530	650
Dress-workers... ...	351	1,674	2,025
Gums and Resins ...	63	797	849
	539	3,058	3,207
Carriers.			
Railways	31	29	61
Roads	155	474	635
Canals and rivers ...	59	259	318
Seas and rivers ...	60	43	103
Messengers and porters.	65	108	173
	360	913	1,290
Workers in Houses and buildings	186	595	781
Labourers	748	5,339	7,248
Agriculturists...	1,382	53,270	52,009
*Grand total ...	4,741	67,220	71,961

Leaving out 5½ millions engaged in Government and domestic services and 3 millions more as of minor occupations—in all 8½ millions, we get 72 millions of adult males engaged

* There appears to be some discrepancy in the figures in this Table.

in different industries, as specified above. Slightly re-arranged, the table stands thus :—

[000s omitted.]

Industry.	In towns.	In villages.	Total.
Mercantile men and general dealers	401	1,136	1,537
Manufacturers			
Cloth &c.	650	2,504	3,173
Metal ware	234	773	1,056
Earthen ware	241	1,358	1 621
Salt, drink &c.	725	3,653	3,988
Agriculturists	1,382	50,270	52,009
Labourers	748	6,539	7,289
Carriers	360	913	1,289
	4,741,000	67,220,000	71,961,000

Further re-classified.

Industry.	In towns.	In villages.	Total.
Mercantile men and general dealers	401	1,136	1,537
Manufacturers			
[Cloth, Metal, earthen &c.]	1,125	4,635	5,760
Salt &c.	725	3,653	3,988
Agriculturists	1,382	50,270	52,009
Labourers	748	6,539	7,289
Carriers	300	913	1,290
	4,741,000	67,220,000	71,961,000

Percentages.

	In towns.	In villages.	Total.
(1) Mercantile men and general dealers ...	·5	1·5	9
(2) Manufacturers... ...	1·8	6·4	8
(3) Salt, drinks &c. ...	·8	5	5·6
(4) Agriculturists	2	73	75
(5) Labourers	1	9	10
(6) Carriers	·5	1·3	1·7
	6·8	93·2	100

The tables given above suffice to convey a fairly accurate idea of the position we have now come to hold in the total industrial economy of the country.

Taking rural and urban areas together, our industrial population shows the following proportions as employed in various industries :—

86 per cent directly connected with land.

12 ,, engaged in other industries.

2 ,, in trade &c.

[These proportions slightly vary from those given by the Famine Commissioners, who, however, wrote before the census of 1881].

These figures serve to illustrate the meaning of the oft-repeated dictum that "India is essentially an agricultural country." They also show what a revolutionary change has come about in the general economy of our national industries. The position of things may be otherwise stated briefly thus :—

There is a general diversion of the industrial population to agriculture. Mining has ceased to be one of our industries. We have all but cleared out of the varied field of manufacturing industry before the progress of the foreigners. We divide the field of internal trade with the foreigner, though there are no data for ascertaining in what parts. We share in the foreign trade of the country barely to the extent of $\frac{1}{10}$th of the total. The *shipping* employed in the trade is almost wholly foreign. The carrying trade is, also, for the most part, a foreign monopoly.

On the whole, we may say that while we retain our hold on our agriculture as the one anchor of our industrial life, we have withdrawn—have been compelled to withdraw—from about $\frac{9}{10}$ths of the field of non-agricultural industries. This shows how our old system of co-ordinate industries has all but collapsed, and how the field of industrial employment, open to our industrial classes in their present state of resources, has come to be perilously restricted to a single industry, and that, too, not admitting, in its very nature, of elastic and wide development. Such is the revolutionary change in our industrial position that has come about under the stress of foreign competition.

A whole nation, driven out of more than one half of the total field of profitable employment in the country, which is peculiarly its own, and obliged to earn a scanty and precarious subsistence with its entire fabric of varied and co-ordered industries all but over-thrown,—this is certainly a most disastrous economic change that has been brought about in this country under the operation of economic laws, which no attempt has been made to control or modify. And the change has not come about without its inevitable attendant incidents. Many an industrial centre is all but, industrially speaking, deserted. Where are now those millionaires, we might ask with Captain Beauclerk, who in past days "beautified India and comforted the poor"? Where is now our old silk industry, once the admiration of the world, and where that weaver-class, the pride of ancient India? Where is now the Muslin industry of Dacca, about which Mr. Mukerjee writes in his "Art-manufactures of India" page 318:—"Three years ago I was informed by one of the manufacturers of Dacca Muslin that the generation of women, who spun the yarn of which the finest fabrics were made, has all passed away, except two very aged beings." Where the silk-industry of Thana which once had 4,000 weavers, but where "there are now only seven families of weavers working 14 looms, which in ordinary years do not turn out more than Rs. 5,000 worth of silks?" (Vide Campbell's Gazetteer for Thana, page 378, part I.)

It is of no use, however, to indulge in vain regrets over a past that cannot now be recalled. But it is allowable to say that no prudent and far-seeing Government, worthy of its position and conscious of its responsibilities in this matter, would have permitted such a disastrous, radical change to come about in the industrial organisation of the country under its sway without strenuous efforts to resist it. A transition from hand-industries to steam-power industries is of course an inevitable change, and cannot be stayed in any country; but in backward and undeveloped countries, like India it lies in the power, as it evidently lies within the legitimate province, of their Governments to so control and direct such transition by timely and temporary intervention as to make it a beneficial change. Every self-governed nation, which is opposed to rival communities possessed of superior resources and strength, and which is in danger of defeat and rout in the unequal encounter, is perfectly justified in this economic as in other spheres of human activity in invoking the aid of its Government as the guardian of its interests and the representative of its collective

strength, as against its rivals, with a view to future safety. In India, the reasons for such interposition on the part of the State are of peculiar strength. When the long period of warfare and anarchy ended with the establishment of the British power, it did not end without leaving deep scars and wounds on the industrial system of the nation. Its internal trade was in a state of paralysis, its industries were more or less disorganised, habits of collective action among the industrial classes were much weakened; *credit*, the soul of industrial activity, was considerably impaired; but above all, the industrial *solidarity* of the country was utterly destroyed. It was in such a state of her industrial life that India passed under British sway and was drawn into the vertex of the whole world's international commerce and intercourse, and came to be exposed to the full force of the competition of the highly perfected industrial organisation of Europe and America. Unprepared for such a formidable competition, and obviously unable to cope with it unaided, she was fairly entitled to the aid of the State at least for a time during which to put herself in a proper posture of defence. But the British Government in the country did not think that their duty lay in any such direction. They did not think it right or expedient to foster by artificial aids the system of native industries, and save it from its destined doom. And accordingly, they not only declined to stand between us and our rivals and extend to us a helping hand in the fight, or even observe a strict impartial attitude of neutrality and allow us to settle our account as best we could, but going further they did all they could to help on the foreign competitor as against us in various ways—by adopting Free Trade measures, by pushing Railway extensions, by making grants of special privileges to foreign enterprise &c. &c.

The result has been, as might have been expected, disastrous all round. The Indian community, thus left unaided and unprepared to struggle with its formidable foreign antagonists for the last 30 years and more, finds itself nearly driven into a corner and on all sides checkmated, while the field is being more and more occupied by foreign enterprise. There is thus a most injurious and perilous derangement of our national industries. But, however vast and serious this *derangement* is, it is most satisfactory to note that there is yet no *disruption*—no break-up. Our well-poised system of co-ordered industries still stands, after all the deadly assaults made upon it, though very much out of working order, yet strong in the strength of its traditional and moral basis. We have still its chief constituent elements intact,

though from the point of view of numbers, in vastly altered relative proportions. There are still our industrial classes, though they hold their ground on most precarious tenure. The agricultural classes stand firm, and our weavers (Koshtees and Salees), our dyers (Nilaris and Rangaris), our copper-smiths (Tambats), our oil-pressmen (Telis), our casters (Otaris), our blacksmiths (Lohars), our potters (Kumbhars), our leather-workers (Jingars and Mochis) &c., are all still alive, though only in the cramping atmosphere of rural life, and vastly reduced in numbers, to attest the powerful vitality of our industrial organisation. The position of all those classes is now fiercely assailed and even threatened, but the fact that they still maintain their footing is a most encouraging, bright fact, which goes a long way to relieve the otherwise thick gloom of our present situation. It is the main-stay of our hopes for the recovery of our lost industrial *status* in the world's system.

This feature apart, the general result is as we have described before :—(1) there is the sharp and enormous curtailment of our industrial field open to the industrial classes; and (2) there is the alarming advance of the foreigners to a corresponding extent. We have seen the extent of the first evil, let us now turn to the second. The annexed sheet gives a synoptical view of what we may call the progress of *foreign exploitation* in the country.

From this synopsis, it will be clear how broad and extended is the line of foreign *exploitation* in this country. It extends to every branch of our industrial field, and broadening down through a long zone of cotton, woollen, silk fabrics and metal manufactures, narrows itself at the close even so far as to embrace even such minor manufactures as tiles and ropes, and it measures the effect, till now, of that fierce competition of the superior industrial systems of Europe and America, to which this country has had to submit. (1) *Agriculture* apparently is the only industry of ours that is yet safe, but even here, the careful observer cannot fail to note that the state of things is such as to afford ground for grave anxiety. There is plenty of European capital waiting for investment in India, and high authorities like Sir J. Caird are already advising British investors to buy up Zemindari estates as one of the best Indian investments. (2) As to *mining*, the Indian field is entirely in foreign hands. The occupation of our Dhavads and Warekaris is gone and there is no fear to the foreigners of native rivalry here. We have neither the requisite knowledge nor the requisite means required for a successful working of our mines.

The extension of European collieries in this country is a serious form of foreign *exploitation* in this field of Indian industry and demands jealous watchfulness on our part. There are already 70 collieries at work with an annual out-put of 1½ million tons. Coal is one of the indispensable auxiliaries of modern material progress, and we are bound to take care lest our splendid coal fields should all pass into *adverse foreign* possession and the supply of coal should become a *foreign monopoly*. Our coal is somewhat inferior in quality, but the extent of our coal fields is only surpassed by that of the United States, China, and Russia. It would seem to afford one of the most lucrative fields of investment for the Indian capitalists—even more lucrative than the cotton or jute mills, and yet somehow our collieries are not in native hands. The concession, also, of extensive *mining* rights and privileges to European mining companies in whole provinces (*e. g.* in Assam and the Nizam's territory) is another fact of equal seriousness, which we cannot but regard with grave apprehension. (3) In the department of *trade*, the foreign trade of the country, being exclusively the creation of *foreign* effort, continues still in foreign hands, barely one-tenth falling to the share of the natives of the country. The *shipping* is *foreign* and so, also, are most of the exporting and importing agencies. As regards *internal* trade, the railways represent a practical monopoly of the internal carrying trade of the country. The capital expended upon their construction is almost wholly *foreign*, whether they are owned by the Government or foreign Companies and their net profits go of course to the foreigner. Further it is worth remarking that the exporting and importing foreign merchants at the shipping ports are extending their *direct* operations into the interior, as is attested by the increasing activity of European Exchange Banks all over the country. Here, as elsewhere, our greatest weakness lies in our *isolation* and want of organised action, and our weakness evidently the rival's strength. (4) But, above all, it is against our manufacturing industries that the force of this foreign competition has been chiefly directed during the last half century through the agency of the import trade aided by the free trade and railway policy of the State, and it has had its effect in stamping out almost root and branch our urban industries and driving our urban industrial classes to the plough. The European industries that we see around us now in India do not seem to have concurred in any material degree to bring about the collapse of our urban industrial system; on the contrary, it is the overthrow of this system under the blight of the

import trade that has in a sense paved the way for the successful plantation of such foreign enterprises in the country, *firstly* by clearing the field of native competition and *secondly* by throwing out of work whole classes and thereby cheapening labour. And it is, now, these foreign industries that are completing the ruin of our manufacturing industries even in the remotest part of the country. The rural industries are threatened with the fate which has already overtaken our urban trades and crafts. The tanneries at Cawnpore, for instance, have been at present working to oust the local Mochis, Jingars and Chambhars from their leather industry, which is one of the chief industries of the district. Similarly the woollen mills of the N. W. Provinces and the Punjab (*e. g.* Elgin and Egerton Mills,) are working, as Mr. O'Connor tells us in his Trade Review for 1880-81 (vide page 40), "to displace the coarser kinds of woollen stuffs, blanketings, and such like, for common use, woven by hand." So also, again are the Pottery works of Ramganj and the numerous brass-ware factories directed against our local manufacture. This is one of those effects of this species of foreign exploitation, which must cause us the greatest anxiety. Our urban industries have well-nigh perished amidst the stress of foreign competition from without, as represented by the expanding import trade of the country. And now it is our rural industries that are threatened with a similar fate by foreign competition, directed so to speak *from within*, as measured by the growth of these competing European enterprises in the country, and must succumb, unless we bestir ourselves in time. The fight here will be much tougher. Competition from within is harder and more formidable to face than competition from without. The foreign competitor, who remains in his own country, and taking all the advantages and disadvantages of his position, does his business, is not half as formidable as one, who, while living in his own country, gets his business transacted out here and thereby combines the advantages of his own and his rival's position *minus* their disadvantages.

We must in justice note that *per contra* these foreign enterprises in the country at present give work and wages to above 10 lakhs of our working people. This is a set-off, however poor and inadequate, against the enormous loss—loss of work, wages, profits, industrial status,—which they have inflicted on numerous classes of our industrial population. Further there is the *moral* effect of the prosperity of European concerns—which affords ground for satisfaction. The presence of these

foreign enterprises in the country is slowly stimulating native efforts in that direction and we have now amongst us, in various provinces, enterprising native capitalists, competing, though as yet with only a moderate measure of success, with their foreign rivals in some of their concerns, notably in the cotton, indigo, sugar, and silk industries, on their own ground, in their own field, and on their own lines.

Having thus noticed separately the vast, perilous curtailment of the field of profitable work to the ruin of our industrial classes and the alarming expansion of foreign exploitation in a corresponding measure, we will now proceed to consider their combined economic effect in the condition of the national industries. This effect may be briefly characterised as a general, severe, serious *industrial depression* all over the field. It is a depression which probably is, in its magnitude, without precedent or example in the economic annals of the world, and which is unknown to the Political Economy of the West. It is this depression which is, as we conceive it, at the root of our present industrial distress, the prime source of our economic difficulties,—and the almost sole cause of our poverty and misery. It is, therefore, important to enquire into its nature and extent and causes. The industrial worker in India, as remarked before, is wanting neither in energy nor in enterprise. He is not indolent, nor is he thriftless, and yet he has great and formidable difficulties besetting his path in every direction. An enormous *over-crowding of the industries, want of technical and scientific knowledge, insufficiency of capital and low credit, want of organisation, weakened motives to saving and self-help*—are among the chief items in his long catalogue of grievances.

(A) As to *over-crowding of the industries*, the evil is real and is due to that curtailment of the total national field of employment, open to our industrial classes, which has followed upon the progress of foreign exploitation in the country. A contracted field of work, with an increasing population to employ, must necessarily mean, unless that contraction should be accompanied by improvements in industrial methods and appliances,—which has not occurred in India—insufficiency of work or want of work for part of that population during at least part of the year. Reverting to a tabular statement given on a previous page, classifying the male adult industrial population of India, we find that of the total 72 millions, 4,741,000 are in the towns, while 67½ millions are in the villages. We may

roughly assume—an assumption, however, some-what beyond the mark—that the Industrial classes in the towns find fairly full and steady work the whole year round. No such assumption, however, can be hazarded about the industrial population in our rural areas. The rural classes are distributed as follows (adult males only):—

(*a*)	Merchants and general dealers.....	1,139,000
(*b*)	Manufacturers and other craftsmen...	8,288,000
(*c*)	Carriers	1,290,000
(*d*)	Labourers.....	6,539,000
(*e*)	Agriculturists.....	50,022,000

Now, as regards class (*a*), looking at the number of villages in India (708,802 containing population upto 3,000 souls), we may say that class (*a*) (merchants and dealers) has, here in the villages, more or less full work during the twelve months of the year. But as to the other classes, they are more or less without work for part of the year. Class (*b*) consisting of manufacturers and other craftsmen has little or insufficient work during the rains and cannot secure fairly full work for the rest of the year. To put the fact arithmetically, we may take it that this class, which is $8\frac{1}{4}$ millions strong, has good work only for 8 months of the year. Classes (*c*) and (*d*) taken together form the labouring section of the rural population and are in a most woful plight in this respect. Field work is the one occupation by which they live, and this sort of work they get only for a few months of the year. The men are employed by the season, by the month or by the job and seldom permanently. While agricultural operations are in progress, they find work and fair wages too, but for several months of the year they go absolutely without work, say 5 or 6 months. They number close on 8 millions. Lastly as to the class (*e*), the case is not so simple. Those, who hold wet-crop land, find good work all the year round. There is no Government return available to show what acreage of cultivated land in India is under wet crops, but on the basis of irrigation figures, it would seem that $\frac{1}{8}$th of the total cultivated area is wet-crop land or say about 24 million acres; so that 6 to 7 millions of our agriculturists may be taken to be so employed; the rest 44 millions have only dry-crop land, which gives them good work "for about 231 days in the year" (*vide* Sir J. B. Peile's estimate in his Note, Appendix to Famine Commission's Report, page 164). The question now is, what do they do during the 134 days left to them? Some engage themselves in cart-traffic, but

the number of such must be small. The total number of carts in the whole country not being more than 2 millions, evidently not more than that number can find work in this way. It is therefore safe to take it that the remaining 42 millions of our agriculturists have absolutely no work for them for 134 days of the year or 4½ months. This estimate takes no account of the waste of labour involved in the extreme smallness of agricultural holdings. In other words, as observed by the Famine Commissioners, "the numbers who have no other employment than agriculture are in large parts of the country greatly in excess of what is really required for the thorough cultivation of the land" (*vide* Report, page 34).

To sum up: 20½ million adult males are without work all the year round. This measures the extent of *waste of industrial working* energy, under the present conditions of industrial life in India, which impose upon large and numerous classes of our industrial population such enforced idleness. The waste of energy, converted into its money value at, say, 40 rupees per adult male per annum, represents a loss of 82 crores of rupees,—more than the whole gross revenue of the Indian Empire. But this is not all. This evil of over-crowding of the industries that we are considering makes itself felt in other directions also. It tends to bring down both the profits of industry and the wages of labour and leads to a general shrinkage of the industrial standard of the community. Under another aspect, it is also demoralising, in that it breeds habits of indolence and helpless and hopeless dependence most injurious to the *industrial character* of the population. This evil, however, is only one element in the general industrial depression of the country, connected with it, both as cause and effect.

(B) There is another element, connected with the depression, more as a cause than as an effect. It is the *absence of technical training* and *improved methods and appliances of industry in the country*. In consequence of these circumstances, the industrial worker in India stands at a manifest and vast disadvantage in the general competition. While the whole world around him is moving on and with astonishing rapidity, he alone is condemned to stand still, a bewildered spectator, helpless and hopeless in his enforced ignorance. The Indian agriculturist has no knowledge of the scientific methods of agriculture, nor has he at his command the improved appliances of husbandry and yet has to meet face to face in the national markets of the world his American and Australian rivals, who

have both. He does not know—nor is he yet taught to know—how to make two blades of grass grow where one grows now. Nor are his brother craftsmen, the Koshtis, the Kumbhars, the Lohars, better placed in this respect. They, too, are equally ignorant and equally resourceless. The present methods and appliances of our industrial classes, one and all—have been declared by experts to be rude, antiquated, and useless in these days; our plough, our loom, our lathe, our forge—are alike condemned as bad and wasteful; and so are our methods of working at these, and yet there is no improvement attempted in any of them. How far the evil of our present low earning power or *under-production* is due to this cause, it is not easy to say; but this is certain that, but for this absence of technical knowledge and scientific industrial appliances, the industrial worker in India, gifted as he is with superior industrial aptitude and superior artistic perception, would not have yielded the ground so readily as he has done to his foreign rival in the industrial race. Much of his industrial collapse is distinctly due to this want of scientific knowledge and appliances in this country, and it is the same cause also that is keeping him low in the general scale of industrial life.

(C) There is yet another difficulty of a more formidable nature against which the industrial worker in this country has to contend. It is *the insufficiency of working capital, coupled with low credit.* As to the insufficiency of working capital available for industrial purposes, the fact is due to (1) the absence of any large amount of accumulated capital in the country and (2) a defective organisation of credit. Among the causes that keep down large accumulation of capital may be mentioned the following:—

(*a*) The *prolonged military anarchy* of the pre-British period, with its insecurity of life and property, and general paralysis of trade, with its devastating wars and plundering expeditions, with its violence and rapine of every species.

(*b*) The material drain of the British period on the resources of India, sometimes described as India's economic tribute to England,—a drain which has risen from 2 crores in 1885 to close on 30 crores now during the last 54 years. The full measure of this drain is not the ratio it bears to the gross annual income of the country—which is about 6 per cent—but its proportion to the net income after defraying the *necessary* expenditure of the year's maintenance of the Natives. And this

proportion is very nearly one-third. *Full one-third of our net national income* going out of the country to meet our foreign liabilities, and bringing no economic return,—this is certainly a heavy loss to the country and goes a long way to account for the small accumulations of capital it has to show. No nation can stand such a drain, and yet hold its own in the industrial field. Of late years this drain has been accelerated by the forward Public Works Policy and the Military Policy pursued by the Government of India, and the unprecedented fall in exchange value of silver. To raise large loans from year to year on wasteful terms to meet more or less non-productive expenditure in a country admittedly deficient in capital, and where every farthing that can be spared is required for purposes of industrial development, and that too, under circumstances which render it not only practicable but highly expedient to borrow abroad, is at best questionable finance, and is certainly bad political economy, in so far as it has the effect of intercepting for non-productive outlay a portion of the country's savings, which would otherwise go to increase the working capital of the country.

(*c*) Heavy losses caused in respect of agricultural and other out-turn by oft-recurring famines. There exist no data for even an approximate estimate of the loss due to the famines of the last 50 years, but it would not be far wrong to put it at 400 crores, including loss of cattle. After an exhaustive review of the famines of the last 109 years, the Famine Commissioners say (*vide* Report, page 25):—"Taking all the 21 famines and scarcities recorded in the last 109 years in any part of India, the proportion is 24 years of bad seasons to 85 years of good," *i. e.* two years of bad seasons and 7 of good in every 9 years. The loss of agricultural out-turn in a bad season is calculated at a half to three-fourths of the ordinary out-turn, and thus, apparently, we lose, in every 2 years out of 9, full one or one-and-a-half good years' out-turn. In the remaining 7 years of this 9 years' cycle, we are blessed with good seasons, but so rude and antiquated are our industrial methods and appliances, and consequently so low is our average earning-power even in "a good season", that we are hardly able to lay up one-sixth of our annual income after meeting all necessary expenditure, so that in each cycle of 9 years, we may say that our surplus savings of those 7 years of plenty go for the most part to cover the deficits caused by the 2 years of drought and famine. As a net result, taking a full cycle of nine years, we find ourselves with but a very insignificant

margin of surplus saving available as industrial capital for future investment. The effect of recurring droughts and scarcities in reducing or rather annihilating the capital resources of the country during each cycle of 9 years, deserves special notice as showing how enormous and extensive is the evil of our almost exclusive dependence on agriculture as the sole means of economic progress and prosperity!

(*d*) Lastly, the low rate of savings in the country from year to year, due to the perilously small margin that is left between what we can earn and what we are required to spend for our necessary expenditure. A table is given to show how our annual savings compare most miserably with those of other nations. While the United Kingdom can save 154 millions sterling, France 140, the United States 210, Germany 40, British India, with a population exceeding that of Great Britain, France, Germany and the United States of America together, is able to lay by only 5 crores of rupees. This smallness of our surplus savings is due to a variety of circumstances, among which may be mentioned the following:—

(1) Our low *earning-power* both in the field of agricultural and in other industries—being hardly $\frac{1}{20}$th of that of United Kingdom.

(2) The low margin for savings out of our gross earnings, is further reduced by *heavy taxation*. The pressure of public burdens is to be gauged by the ratio they bear, not to the *gross*, but to the *net* income of the nation. Our gross earnings have been officially estimated for Income-tax purposes at about 540 crores, our necessary expenditure (let alone luxuries &c.) amounts to 450 crores, so that the net surplus left for other purposes is, say, about 90 crores. It is upon this amount of 90 crores that the annual taxation of the country, amounting to 50 crores, is levied. Thus, more than one half of our annual savings is *swept into the public treasury* to meet, what is for the most part, more or less non-productive expenditure. Of the remaining 40 crores, half is consumed to recoup the losses of famine years and the net average margin is not much over 20 crores or one rupee per head of the population. What can be a greater economic evil than such a heavy drag upon our industrial progress put by the needs of the Exchequer?

(3) The *motives to saving* are necessarily in consequence extremely *weak*. These motives cannot be expected to be strong in a country where there is such extreme and helpless

poverty among the masses of the population as in British India. The majority of the people here live, admittedly, from hand to mouth almost on what may be described as little better than prison fare, and not being able to save, hardly feel any strong motive to save. Imperfect security of tenure coupled with bad seasons and heavy assessments weigh down the agriculturists, while foreign competition, uncertainty of work, low wages, and poor profits take the heart out of all work in the case of the industrial classes and go a long way to account not only for the absence of savings but also for the prevalence of indebtedness among these classes. The only classes that can save among us are :—

(1) Superior land-holders (including Zemindars, Talukdars, Malgujars &c.).

(2) Government servants of higher grade.

(3) Professionals—Lawyers, Medical Practitioners &c.

(4) Superior manufacturer.

(5) Merchants—particularly those engaged in the foreign trade of the country.

(6) Bankers—including money-lenders.

(7) Superior Traders.

It is not possible to estimate the numerical strength of these various classes that are able to save in this country, but it is certain that they constitute a very small minority of the nation. The vast majority do not and cannot save.

From the foregoing observations it will be seen what powerful causes are in operation to keep our accumulations of capital so low. The material exhaustion of the pre-British period, the ever-increasing material drain to England under British rule, intensified by the forward P. W. policy of the Government of India and the fall in the value of Silver, the enormous losses caused by recurring famines, small annual savings, combined with weakened motives and capacity to save—these and such like circumstances amply suffice to explain why with all our wealth of undeveloped material resources, we are not able to show any large amount of accumulated capital in the country. But, again, what little capital we have and save is not all available to our industrial classes for purposes of productive

investment, and the portion of it, that is available, is made so available on terms scarcely compatible with success or prosperity of business in these days of severe competition. This is due, as already suggested, to our *defective organisation of credit*. Disorganised credit in this country is an inherited evil—and nothing has yet been done to remedy it. There is no banking machinery in this country such as we find in almost every foreign country of the world, organised for the purpose of bringing the lenders and the borrowers into close and sympathetic relations of mutual advantage. There are no chartered joint-stock banks of deposit and issue amongst us, such as those that exist in England, Scotland &c., no land mortgage banks or *credit fonciers* such as those which thrive so well on the Continent of Europe. In old times, private individual bankers flourished and did large business, but even these have now given way to foreign competition. At the best, private banking can never command the resources of capital sufficient to meet the legitimate requirements of trade and industry in the country. A considerable stock of capital thus lies comparatively idle, the classes that save not knowing how to place their savings at the disposal of the industrial classes with profit to themselves. The evil is further aggravated by the fact that the majority of those who can and do save are seldom in close personal touch with the industrial classes in the country. Credit, resting on mutual *personal* confidence between the lending and the borrowing classes, independent of State-authority, or State support is a slow growth of long continued habits of thrift and organised action such as we have not been blessed with for ages past. Here was a clear case, if any-where, made out for State interference, as being the one depository in the country of vast funds and of universal credit and confidence. The State had a peculiar responsibility placed upon it to utilize its agency and its credit to establish business relations between the saving and the borrowing classes by means of State aided or guaranteed banks of deposit and issue. Even Native Princes, like the late Maharaja of Indore recognised this obligation. The State need not spend a pie out of its own revenues, but if it only grants special facilities for recoveries, and, instead of locking up the Saving Bank deposit in its own securities, lends them out under proper guarantee to help *bona fide* enterprize, a great deal of solid good will result. The Government of India has not thought fit to go any further in this direction beyond giving some aid to the Presidency Banks. But banking in the country thus remains in the same crude disorganised state as

before, to the extreme inconvenience and injury of our trade and industry. This being so, it is not surprising to find that, while our trades and industries are literally starving from insufficiency of capital, and our industrial classes especially in the villages are forced to borrow at from 20 to 40—even 50 per cent interest per annum, we have in the towns a considerable number of holders of Government securities amounting to, say, about 30 crores at present, content with 4 or 4½ per cent interest; about 260,000 Saving Banks depositors holding deposits of over 5 crores at less than 4 per cent and a still larger number of those who invest their savings in ornaments. The large amount of savings thus locked up in gold and silver ornaments is measured by the *net* absorption of the precious metals in the country and has been estimated by a writer in this journal last year at 160 crores during the last 53 years. Taken together, we find that Government securities worth 30 crores, Savings Banks deposits worth 5 crores, and ornaments worth 160, or a total of nearly 200 crores, are practically lost to the industrial classes of the country owing to the absence of any State guaranteed credit organisation or *conducting medium* between the lending and the borrowing classes. The capital that actually finds its way into industrial channels, under our present defective arrangements, is consequently neither cheap nor abundant; and rates of interest range exorbitantly high all over the country and more so in the rural than in the urban districts. While in the towns it is possible, as in Gujrat, for first class borrowers, such as bankers and large traders, to raise money at 6 to 9 per cent interest on personal credit, rates varying from 15 or 18 to 24 per cent are charged in the Deccan Districts for similar loans, and various classes—particularly at the lower levels,—including agriculturists and hand-loom-weavers (as in Nagar) can seldom raise money at less than 24 to 36 per cent interest! When property is mortgaged, the rates of interest are somewhat lighter; which circumstance shows clearly that rates are higher for personal loans, because of the low credit of the borrowers, and the great risks attending the recovery of such loans. The following table taken from Mulhall's Dictionary shows how disadvantageous is the position of the industrial worker in this matter of capital and interest charged on it:—

Capital engaged in Banking and rate of interest.

	Millions £.	Amount p. c.	Rate of interest per cent.
U. Kingdom.	840	25	3·2
France	205	6	3·9
Germany	285	6	4·3
Austria	166	5	4·7
Belgium	27	5	3·6
Holland	26	7.	3·4
Europe.....	1852	6	3·7
U. States	531	10	...
Canada.....	35	8.	...
Australia.....	85	30	...
India	50	2	12·36

Though thus placed at an immense disadvantage in respect of available working capital, industrial India has yet to compete with these nations of the world. Cheap and abundant capital means good and profitable business, and *per contra* where capital is scarce and dear, and rates of interest are high, there business cannot have much chance of success. Much credit is, however, due to the people of Madras for their spirited exertions in the matter of providing banking facilities for the trade and industry of the Province. They have at present 268 such Associations, formed on the joint-stock principle for banking, lending &c., working with a capital of about 2 crores. Similar Associations exist here and there in isolated places, but all these taken together form but a drop in the ocean and the wide-spread and deep-seated evil of *disorganised credit* still continues almost untouched to seriously hamper the material progress of the country.

(E) But there is yet one more serious disadvantage under which our industrial classes are at present labouring in this country, as compared with those of other countries. While all over Europe, America, and Australia, there is not to be found a single trade nor a single industry but has its central representative Association with a vast and ramified net-work of local and subordinate branches, there is in this country a comparative *absence of any such organised action* of industry

or trade specially in its higher and more developed forms. We have no doubt, all over, a strong, solid *sub-structure* of such industrial organisations in our rural trade guilds and caste (*e. g.* of the Punjab, the N. W. Provinces and Oudh) with their Punchayats and headmen (*e. g.* as those of Gujrat, Ahmedabad) but this vast though crude form of organised industrial energy is at present running to waste partly for want of effort on the part of our industrial leaders to turn them to account, and partly because of the absence of a strong *super-structure* of more developed Associations to establish a complete chain of industrial associative action.

Our trades and craftsmen and manufacturers are the greatest sufferers in this respect from the absence of higher industrial organisation. The foreign trade of the country with an aggregate value of over 180 crores is for the most part in foreign hands, and its profits amounting to 20 crores and more are lost to our trading classes. In the internal trade of the country also, they are slowly losing ground. A few central trading firms with local branches at the shipping ports and on the main lines of communication with foreign countries, working under a good system of credit, would remedy this evil, but there is as yet no initiative taken any-where in this connection. So, again, some of our artistic industries are solely dependent for their very existence on European trading enterprise. The silver-work of Orissa requires the local agency of European firms to find for it a profitable sale in the markets of Europe, the shawl industry of Kashmere is similarly controlled by local agents of English and French firms stationed at Amritsar and other chief towns in the Punjab. Indian pottery (of Sind), carved wood-work (Ahmedabad) and superior silk fabrics are slowly going through this same process. Similarly in the field of our industries and minor crafts the native share in joint-stock enterprise is almost *nil*, excepting what we have in the cotton mills in this Presidency, while all over Europe, America, and Australia, there is not a branch of industry in which such associative effort is not found developed to a more or less high degree of perfection. In Great Britain, there were established during 20 years from 1862-82 no less than nearly 20,000 such joint-stock companies working with a capital of 2,325 millions sterling or on an average of £ 116,700 per company; similar progress is recorded of several other countries—notably France. It need scarcely be pointed out how this one single fact—the *comparative absence of associative industrial enterprise* in the country—places us at a terrible

disadvantage in the general industrial competition. Our present industries—what few we have still left amidst the general wreck—continue still to be the divided individual concerns of old times, admitting of no large expansion—giving no scope to a large investment of capital, or to any substantial improvement in their working methods and appliances; and unless there should be some immediate improvement in their working basis and structure, their extinction, we fear, in the face of European competition from within and from without, is but a question of time.

(F) There remains one more difficulty still to notice in the path of the industrial worker in the country. It is the absence of a strong, resolute spirit, due to long depression—a weakness of the moral fibre, which makes a man hopeless in his helplessness. The Indian workman is really in a pitiable plight, and feels his growing inability to help himself in the presence of the foreign competition to which he is exposed and of the aggressive action of the State in many directions. We find that the State in this country is assuming to itself functions which are peculiarly those of private enterprise and doing itself, by its own agency, the things which ought to be left to Indian private enterprise, or, at any rate, which Indian private enterprise duly subsidized if necessary ought to be got to do for itself. Post Banks and Money Order systems, State Factories, Land Improvement Loans suggest instances in point. But, further, we confess, the whole Public Works policy of the Government of India, with its huge budget and huge working machinery, regarded from this point of view, appears to us singularly barren of moral effect, and seems to suggest a question of great importance. About 380 crores (180 on Railways, 170 on ordinary Public Works, 30 on Irrigation) have been hitherto spent on Public Works, in the country during the last 40 years, and, it may be asked, what moral effect has this enormous expenditure had in stimulating the industrial spirit and independent effort of the Indian people in this field, as similar expenditure did secure in France in the first half of this century? Has it led to any large work of the kind being taken up by native private enterprise? No doubt, the works are carried out, the money is spent, the establishments—the engineers and their men—are paid, but what is the *educational* effect? Planned and executed by *State agency*, carried out and maitained at the cost of *State* funds, managed and supervised by a *State Department*, the works are there, before the eyes of the people, but carry no lessons and suggest no emulation.

In a country like India, the planning and execution of these works would afford the finest training school for calling out and disciplining the best industrial energies of a community, but as they are now carried out by foreign agency and still subsidized foreign capital and skill, they serve to keep them in a perpetual *statu pupillari*, and make them feel more and more helpless in their poverty. The industrial worker in this country does not unfortunately breathe in that bracing and stimulating atmosphere of free, independent, vigorous action of modern Europe and America, and he may well be excused, if he feels himself unable to compete with the State in the economic field, no less—perhaps even more—than with his foreign competitor. Whatever its origin, there is that feeling of helplessness, active in his breast, which hampers, not a little, his efforts to elevate himself. The feeling is there, to damp his energies and paralyse his efforts in the industrial field, while the whole competing world around him is full of spirit, full of confidence and full of buoyant hope, sure of success. It is not possible to appraise in pounds, shillings and pence the material injury such a feeling is doing, but that it is great and serious, more serious than results from all the other causes of depression, noticed above, taken together, is beyond dispute.

Thus, then, it appears on a general view of our economic position that competition from within and without of the foreigner, absence of technical skill and of improved appliances and processes, insufficiency of capital coupled with disorganised credit, the poverty of our joint-stock enterprise and a feeling of helplessness—these are some of the chief difficulties under which the industrial worker in this country has to labour, and labouring under them, has to hold his own in this field against rivals in possession of superior resources and advantages. We have no space here to inquire in any particular detail how he stands in respect of the few industries that are still open to his energies and efforts. The general state of these industries we have characterised before as one of *severe depression*—a depression in which the normal economic conditions of industrial life and activity are almost reversed. We however propose to enter upon a more detailed analysis of this depression, taking in order the three leading divisions of industry—*agriculture, manufactures, and trade*, in a future issue.

From the foregoing it is abundantly clear that the general poverty of the country, which we so much deplore, has its *origo et fons* in this lamentable prostration of its entire in-

dustrial system. On a broad survey of the situation, we find, extending all over the field, (1) *an industrial depression*, so acute and so extreme as to be rapidly verging on a condition of *industrial paralysis*; and (2) *an industrial dead-lock*, so serious that, unless removed and terminated by timely action, it threatens to render any amelioration of the present position practically impossible.

(1) *Industrial depression*:—All our industries are in distress, and the whole system has come to rest on a false and non-economic basis—the industrial worker working all round for little more than a bare living. The Ryot drives his plough, the Kumbhar turns his wheel, the Koshti is busy at his loom, the Teli at his press—but, though working all day, they earn little beyond their daily bread; they are plodding without incentive to work, without nerve and without hope; there is no spur to industry, no stimulus to self-reliant activity, no enterprise to make success sure. The industrial classes still exist, but are disheartened and dispirited, knowing not how to help themselves and hold their own, as against the pushing, go-ahead foreigner, and feel as if condemned, by the weakness of their position, to stand by and look on, while he is vigorously *exploiting* the field, which by right of birth is their own. Nor is this all. There is, besides, an (2) *industrial dead-lock* of an alarming nature under present circumstances—all industiral improvements seem effectually barred. No savings can be and are made; and there are no effective motives to saving. No *accumulations of* industrial capital exist in the country, and no new capital accumulates or can accumulate. Credit is low and disorganised, and nothing is done to rehabilitate and re-organise it as an indispensable aid to industrial advance. Hereditary industrial skill is dying away, and there is as yet (except in isolated centres) no serious effort made to promote the technical training of the industrial classes There is lastly no strong industrial organisation in the country to help the struggling industrial worker. This being so, little wonder, if no new industrial developments are attempted or can be attempted. Old industries are fast collapsing, and no new ones are started. The curtailment of the industrial field is proceeding apace before the advance of the foreigner; large numbers already find themselves without work, and larger still without *sufficient* work. The result is seen in the wretched aggregate out-turn of our national industries—an annual national income barely sufficient for the daily maintenance charge of the country. There are no prudential checks on over-population, and the normal growth of

population in ordinary years is violently swept away when famine comes, as it does come, more frequently than ever it did before. We have thus confronting us the deplorable spectacle of a whole community brought down to a dead low level—the level of a bare and hand-to-mouth subsistence, and struggling and struggling, in vain, in its helpless poverty, to rise from the slough of misery. But there is little cause for surprise in such a situation, when viewed in the light of the difficulties of the industrial worker in India, dwelt upon in detail in the preceding pages.

Less and less work for the growing hands and less and less food for the growing mouths—this sums up our general industrial position, and defines the problem we have to solve. Already 40—60 millions of our countrymen are condemned "to go through life on insufficient food;" 80 millions and more earn at present only "a fair and diminishing subsistence;" and more than ½ the population of the country has no work to turn to all the year round. In 10 years more, the population of British India will be 25 millions more, unless famine happens to relieve the pressure, and the practical question of the immediate future is, how can work and food enough be found for these growing millions.

The question, as will be seen, is essentially an industrial question, and can only find its solution in a general movement of industrial reform and revival.

How to initiate such a movement, is one of the most pressing problems of the day, and it is this problem, which a *National Industrial* Conference, such as the Hon. Mr. Ranade advocates, has to consider, and on the right solution of which depends the happiness of millions upon millions of our toiling brethren.

It is no part of the plan of this paper to suggest for the consideration of the proposed Conference a comprehensive constructive scheme of industrial reform, and we fully recognise the difficulty of formulating any cut and dried scheme to order. We will therefore content ourselves with only briefly indicating our own line of thought on the subject, with a view to start discussion, and help the practical consideration of effective remedies.

(1) First of all, the pressure of the existing congestion is so great that we consider some immediate relief to it is a

necessary preliminary to the administration of permanent tonic remedies to the system of the national industries, whose operation must necessarily be slow. We observe with pleasure that the question of emigration and inter-migration within the country from congested to less populous tracts is engaging the serious attention of the Government of India; and all that the Conference will have to consider in this connection is how best we can co-operate with Government in giving effect to this measure of immediate relief. A State-aided scheme of emigration is the measure to be thought of in this connection. The migration should be conducted on the old liberal plan, by which native rulers in former times turned deserts into thriving centres of rural population. It should not take the individual emigrant from his home, but take a whole village community organized under its heads and with all its members, and maintain the new colonists for the first year or two, and encourage them by long and liberal leases of free-hold tenure. The distances should not be prohibitive, and the condition of life in the new land not entirely unlike the old home. The attempts hitherto made have been wanting in all these elements, and were found to fail. The *laissez faire* policy cannot be adopted with safety, but the State should do its best to undo the mischief which is in part due to its own measures.

But, then, we must not forget that such a measure can give only *temporary* relief, and can be no permanent cure for our present evils; and the Famine Commissioners truly remark, "no remedy for present evils can be complete, which does not include the introduction of a diversity of occupations, through which the surplus population may be drawn from agricultural pursuits and led to earn the means of subsistence in manufactures or some such employment." What is wanted is *a reconstruction of our industrial system on the basis of a "diversity of occupations."*

Such industrial re-construction, to be of real value and solid fruit, must emanate from the people themselves, with State aid, if necessary. The field of effort is theirs; the work must be their own. And however they might with justice ask for State help at initial stages, they must after all learn to help themselves, and improve their own industrial position among the nations of the world. They must shake off the enforced inaction of centuries, and bestir themselves into fruitful activity. Our industrial classes have, no doubt, here hard up-hill work to do, but *they* must do it; others will not do it for them. They

must learn to combine and to act. Combined action is with us an indispensable necessity, without which we cannot take even a single forward move. We have a hundred things to do before we can place ourselves in line with the other nations of the world and these we can never hope to achieve except by combined, systematic effort. Various lines may be suggested on which such combined effort requires, in the present circumstances of the country, to be particularly directed. A few hints may be ventured upon here:—

(*a*) In the first place, it is clear that our whole industrial system essentially rests on the basis of isolated, individual effort, and that combined action, in matters industrial, is, more than in matters political, a thing comparatively unknown. And, yet, in these days of fierce competition, joint-stock enterprise must be our one stand-by. Let us therefore spare no pains *to organise*, wherever we can, *industrial concerns on this joint-stock principle*—beginning in urban areas and descending to rural communities—utilizing for the purpose the existing subsidiary organisations in the country. The native Cotton Mills of Bombay mark a bold effort in the new field, and the Industrial Conference will have to consider, under what conditions and in respect of what branches of industry, this system of joint-stock enterprise admits of expansion. As a necessary preliminary to it, we would suggest the organisation of *Provincial Industrial Surveys*, with a view to ascertain the present condition and prospects of the different industries in the various Provinces. Such information would be highly useful for practical guidance.

(*b*) Again, it is clear that though the commerical dealings of British India are large in volume and extend over a wide area, *we* have really no control over our own or other markets, and that all our trade, internal and foreign, is wholly under foreign control. This is not a healthy or desirable state of things. We must have, as far as possible, our own dealings in our own hands. With a view to this, we would advocate the *formation of native exporting and importing agencies in India* as well as, along the main arteries of communication, *in foreign countries*—working on a system of well-organised credit. The Khojas and the Parsees of Bombay have set an example in this respect by their establishments in China and Eastern Africa, and can furnish a contingent of merchants for extra Indian work in this connection.

(*c*) It is also a most regrettable feature of our present economic position that we have not yet begun to take any part

in the development of our own mineral resources. Cheap supplies of coal and iron are a prime necessity of modern industrial work, and we must beware lest we should suffer, by our inaction, our mines to pass under foreign control. We would have *native mining companies* formed for the purpose. They will have to be worked under foreign supervision for the present, but in course of time, this necessity will cease.

(*d*) Similarly, with regard to our *shipping* trade, we should endeavour to have our own shipping as far as might be practicable. Even the merchants of Persia have a line of their steamers, and we do not see much difficulty in the way of our having our own. A beginning at least should be made in the direction. Three *Shipping Companies* for Bombay, Madras, and Calcutta would not be too many even for the start.

(*e*) So, again, Europe and America offer a splendid market for our art-products. But some organization is needed to extend a demand for them, and thereby revive our art-industries.

(*f*) But, above all, we want strong Provincial Central Associations to watch our interests and guide our efforts in this direction.

If we go about the work in some such way, we are confident, a great deal might be achieved. But, it is evident, such a combined movement of popular self-help in the industrial field can only be a slow growth of time and happier influences. And, in the present conditions of industrial life in India, under which there is general sense of hopeless helplessness all over—a mournful result of an adverse past—it is chimerical to expect such a self-helping movement to come spontaneously from the people themselves, unaided and un-encouraged by the State. Government in India has here a solemn obligation to discharge, and an imperative duty to perform. Life is wanting to the entire industrial system of the country; the industrial workers work, but feel helpless and hopeless, and no unaided improvement can be hoped for from them. In such a condition of industrial paralysis, the obvious function of the State is to infuse life into the decaying organism by its helpful action, to inspire the industrial worker with hope and stimulate his activity, so as to make him an effective agent for the national work of industrial reform. The Government of India has here no novel experiment to try, no untried departure to take, but has simply to follow the plain guidance of experience. In the early part of this century, the Governments of France,

Germany, and other countries of Continental Europe had a very analagous problem to solve after the exhaustion of the Napoleonic wars. They were called upon to deal with a similar state of industrial depression and industrial deadlock—similar to what we have in India, though not in so intensified a form, and aggravated, as with us, by the fierce competition of the powerful industrial organisation of England. But the far-sighted statesmen, who controlled the destinies of those countries, did not trouble themselves with academic considerations of *laissez faire* nor again with the fascinating doctrines of Free Trade. They boldly adopted an active economic policy of reformed land-laws, protective duties, industrial subventions and bounties, and measures of technical education—all with a view to rehabilitate their national industries by re-infusing life and activity into the decaying mass. The practical results of such a judicious and courageous economic policy are apparent in the solid material progress and industrial helpfulness of these countries, and more than fully justify its original adoption and the hopes built upon it. Such a policy of active State help—both moral and material—has of course only a *temporary* application. It is required only for a time and for a particular purpose, and in a particular state of national industrial life—in which the people are unable to help themselves without such extraneous aid. As soon as the purpose is attained, and the tone of industrial life so far improved that the people might be safely let alone and trusted to help themselves, the policy loses its *raison d'etre* and will have to be given up. But until such a time comes, when the industrial life of a community might be left to develop itself without outside interference, there is nothing in the policy out of harmony with the highest conception of State functions in this matter. The State embodies the collective moral strength of a community, and where that community, through the incidents of its historic past, is unable to help itsef, the State is bound to help it to help itself. Looking at the question before us from this point of view, we entirely agree with those who think that the State in India is bound in duty to exert its moral influence—which it can easily do, and with the most extensive effect—and re-infuse invigorating life into our present paralysed system of industrial life. It is such vivifying, helpful activity of the State that is at present indispensably necessary in India. In this connection, we cordially endorse the following far-seeing observations of Mr. Justice Cunningham, from his 'British India and its Rulers,' pages 235-36 :—

"There is a tendency in the minds of Englishmen to consider that camps, courts, and jails, make up the entire round of the functions of Government, and that so long as there are soldiers to fight, magistrates to administer justice, and policemen to keep order, the State may with propriety and advantage leave industrial enterprise to take care of itself. This doctrine, which may be sound in Europe, is as certainly quite inapplicable to India. Although protection from foreign invasion, the maintenance of order, and the diffusion of a feeling of security are conditions precedent to all industrial progress, the accomplishment of these invaluable objects does not complete the task of the Government; the direct, deliberate, systematic promotion of industrial enterprise is though a later, not a less important duty, and its thorough recognition by the State would, I believe, be the most important administrative reform, of which the Indian system is at present susceptible."

The State in India has only to borrow a leaf from the history of European economic statesmanship, and give to the industrial classes of this country such stimulating material and moral aid as they indispensably require. We shall not, of course, be justified in expecting impossibilities or making impossible demands for such State aid; but we do contend that, in the present circumstances of India, we are entitled to such assistance from Government as will restore our industrial life to its normal tone of self-reliant energy. We will now briefly indicate the main directions in which such helpful intervention of the State is urgently called for in our present economic condition.

(2) First of all, we will press on the favourable notice of Government Captain Beauclerk's scheme of State-aided native industries on the basis of State-borrowed or State-guaranteed capital.

If the State goes out of its way to borrow crores of to push on State Railways and Canals in order to in facilities to trade and open up the country, there can no objection on principle to its undertaking the more im function of pioneering enterprise in this direction. In matter of the coal mining industry and the tea and cinchona in dustry, the State has actually followed this policy, though in a halting way. The Dutch in the Netherlands systematically adopted this policy of encouraging the growth of industries by State aid in money and skilled supervision. If the Government here had during the last 30 years similarly helped enterprise

with the guarantee it gave to railways and canals, there is but little doubt that the industrial situation would not have been so hopeless as it now seems to be. Government is the largest consumer in India of many kinds of manufactured articles, and if it had taken care to produce those articles here, instead of importing them at ruinous rates from England, there would have been no breach of the laws of Free Trade. In respect of articles it did not require for its own consumption, it could certainly encourage the first pioneers of enterprise by a system of guarantees. Even civilized Europe has its system of bounties and subsidies to the Sugar industry, and, in France, to Steam Navigation. All over the world, the domestic manufacturer is favoured by a system of prohibitive Import duties. It is therefore not asking too much, if we, in common with Mr. Justice Cunningham and Captain Beauclerk, put in a word for a State guarantee to the pioneers of industrial enterprise. Without a heroic measure like this, no good will result by mere tinkering resolutions to stimulate local enterprise.

Of course it would not be fair to build too much upon this scheme of State support, as it will take years and years before the public mind is educated enough to accept it. Self-help is, after all, the sheet-anchor of real progress, individually and collectively, in this matter, and we think, there is still enough of moral strength left in our industrial life, which can be trusted to supply the basis we require for our new departure. We want State aid only at the initiatory stages and for a time.

(3) Our agricultural classes are depressed, because they over-crowd the field, they subdivide their little holdings, they are entirely dependent on the seasons, they have no wastes to graze their cattle upon, they have no capital of their own, and cannot borrow except at ruinous rates, their assessment has no fixity about it, and they have no knowledge and skill to [illegible] their labour to suit the ever-varying conditions of modern [illegible] State regards itself as the landlord, and in its dealings with these classes, it is bound to do what a prudent landlord does all the world over. The State is bound to be more liberal than a private landlord, because it has the monopoly of land. To induce self-help and self-reliance in its tenantry, it has hitherto done only one thing effectively,—namely, improved the communications of the country, and in some places dug canals. It has promised its help to the tenants for improvements, but the promise has been observed in the letter and broken in the spirit. It has promised fixity of tenure, but that

promise remains unfulfilled to this day. In view of these conditions, it appears to us that the reform, first and foremost in importance, in the interest of our economic progress, is the concession of a *permanent settlement* of the Land Revenue at least in the older Provinces, as sanctioned by the Secretary of State in 1862 and re-affirmed in 1865. It is a measure of vital reform, which would at once give to our agricultural industry the *moral stimulus* it so sorely requires for its healthy growth, and would otherwise immensely help in improving the general tone of our industrial life. The measure would be a blessing to the Ryots and a source of prosperity to the land. The foundations of the material prosperity of Prussia were laid in the early part of this century by the land legislation of Stein and Hardenberg, which freed the land from feudal burdens and created a strong peasant-proprietor class.

We would also submit this most needed reform for the favourable consideration of our native Princes and Chiefs, whose attitude of indifference on the subject is to us perfectly unaccountable. A strong prosperous peasantry is a bulwark of economic strength as well as of political stability.

(4) Further, we would go in for a *comprehensive system of State-aided technical education.* But, in this matter, Government is now fully alive to, and recognises, its obligation, and the country has to acknowledge with pleasure and gratitude the vigorous steps that are being taken in the different Provinces under its initiative. The Governments of Lord Reay and Sir Stuart Bayley deserve special credit in this connection. On this point, however, we incline to the view that, before adopting final measures, Government would best consult the general interests, if it would appoint a mixed Commission of Inquiry of European and Native experts to ascertain the industrial resources, wants, and aptitudes, in this matter of technical training, of the different Provinces, and formulate a well-considered, comprehensive scheme on the subject in the light of the information so gathered by an industrial survey. The question is one of vital importance, and no financial exigencies should, we think, be allowed to stand in the way of a satisfactory scheme being decided upon and carried out.

(5) We have also another suggestion to submit on this point. We consider that, in the present circumstances of the country, pure Indian training and Indian experience alone would not suffice for practical guidance in the new departure. Both China and Japan, self-governing countries, have found this

out, and have solved the problem by sending out every year their choicest youths to study the arts and sciences in the great seats of learning and commerce in Europe and America; and we would venture to recommend the foundation of a large number of technical scholarships to enable Indian students from our technical schools to proceed to Europe to further prosecute their studies in the great Technological Institutes of Germany and France, and the Work-shops and Factories of England and America. We would press this recommendation on the special attention of our Native Princes and Chiefs.

(6) Again, there is another matter of vital importance, in regard to which we would earnestly invoke *Government aid*. We mean, the *re-organisation of credit*. Credit is, so to speak, the "motor-muscle" of industrial activity, and nothing is so helpful and necessary to the prosperity of business and industry in a country as cheap banking facilities. Well-organised credit institutions are one of our most pressing wants, and yet nothing is more clear than that, in the present circumstances of the country, *unaided* private enterprise is altogether unequal to the task of organising any such institutions. In Madras, no doubt, spirited effort is being made is this direction, but we are not sanguine of its eventual success. Here, then, as it seems to us, there is a legitimate field for Government intervention in aid of national industries. What is required is the interposition of the *moral authority and unlimited credit* of the State in a matter, in regard to which private enterprise is powerless; and we would appeal to the Government of India as well as to the Governments of Native States to consider if they cannot advantageously give to Indian private effort in this field the *moral* and *material* help it stands so much in need of. Government need not spend a pie out of its own revenues. It is the great banker and custodian of the deposits of the saving classes, and all that it has to do is to allow facilities to the borrowing classes to draw upon this money by a properly regulated system of State supervised and guaranteed land-mortgage banks and credit institutions. We want a large organisation of joint-stock banks (of both *deposite* and *issue*) working under State direction and control. Government will not, as we have said above, have to spend a farthing but will only have to give facilities for the recovery of debts, make its district balances available to them, and provide controlling audit. Even now it does this in the case of the Presidency Banks to a small extent; and we desire it to enlarge the field of its use-

fulness. There are State-aided credit institutions all our Europe, America and Australasia, and there is no reason why India alone should be denied the boon.

In this connection, we may note *en passant* that Government has conceded *in principle* the justice of our demand in the matter. We would refer to a recent blue-book on the subject of Agricultural Banks in India, which contains the correspondence relating to the proposals of the Poona Committee who offered to start a Land Bank on condition of Government affording special facilities for recovery of advances, and foregoing its claim of enhanced revenue for a time. We find, from this "correspondence", that the question is no longer one of principle but only one of a working-plan. On the question of principle, the authorities in India concur in recognising the necessity and expediency of giving such Government help to these efforts, and even Lord Kimberley expresses his "sympathy" with "the objects aimed at by those who at different times have advocated the establishment of State-aided agricultural banks in India". As in the case of *agricultural*, so in that of other Banks, we may take it that the question of principle is finally settled. The difficulties that now surround the subject are of a practical nature, and relate to a working-plan; and it is not too much to hope that these difficulties will before long be got over and a working-plan devised and carried out, thereby conferring upon the industrial worker in this country the blessing which his foreign compeer enjoys all over the civilized world—the blessing of cheap banking.

(7) Besides, we might also require, as we proceed in our new efforts, Government help in some such matters as initial industrial experiments, establishment of industrial museums, organisation of industrial exhibitions, creation of village forests &c. &c. But these are minor matters and involve no large question of policy.

Thus then (1) a system of judicious emigration, (2) State help to pioneers of enterprise, (3) a permanent settlement of Land Revenue, (4) a comprehensive scheme of State-aided

technical education, (5) the establishment of State-aided banks of deposit and issue, and (6) State scholarships on the plan followed in China or Japan—these measures embody, in our opinion, in the main, the sort and extent of State-aid that we seem to require for the new effort. They are all in entire harmony with the teaching of modern European experience. And what is more encouraging and gratifying in the matter is that Government more or less admits the justice of the obligation in respect of most of them, though still doubtful about their feasibility and reason, hesitating and halting by reason of the financial difficulty. But these doubts will be removed with time and experience, and we feel confident that India will have, before many years have passed by, all the aid she requires and is entitled to from her Government in this matter of a new industrial development.

We think it will not be right to go further in our demands and we are decidedly of opinion that, with such aid and in such measure, we ought to know how to help ourselves. To ask for more would bespeak a degree of moral weakness in our industrial classes, which certainly does not exist and would only be an idle excuse for culpable inaction. With these helps, the rest of the work must be *our own*, if it is to be real and fruitful, and there is no surer or sounder working-basis than that of *self-help*.

The task before us is a task of no ordinary difficulty. The odds against us are heavy and great, but they must not dismay or deter us. Undismayed and undeterred, we must move on along the plain path of duty. 40—60 millions are at this moment, in consequence of our industrial depression and deadlock, starving for want of food and work; and this appalling fact imposes upon us all a most solemn and binding obligation to do all that in us lies to improve the general industrial situation so as to bring food and comfort to the homes of these struggling and starving millions. It would be little short of a sin and a crime to ignore the obligation and shirk the duty thus imposed. The enlightened public opinion of England will not

withhold from us the help we require and are entitled to for an independent start from Government; and if we only set ourselves to that task with a resoluteness of purpose and a singleness of aim, success is assured. As far as Government is prepared to lead the way and help us, we may cheerfully accept the lead and the help in its own interest as much as in ours, and endeavour to follow up and supplement the efforts of Government. But where it declines to intervene, we must rely on our own exertions.

In some such way, we think, the work of Industrial Reconstruction and Reform might be taken up in India on the conjoint basis of self-help and State aid, and European experience warrants hopes of eventual success.

These are roughly some of our own ideas on the subject and we lay them before the public for what they are worth.

This whole subject of Industrial Reform is one of such vital importance that it demands the anxious attention of United India, and we would conclude with a fervid hope that the leaders of the Indian National Congress will see their way to take it into their early consideration with a view, eventually, after full preliminary discussion, to make it a plank in the platform of that great national movement.

THE ECONOMIC SITUATION IN INDIA.*

II.

(AGRICULTURE.)

Since we wrote our article on the "Economic Situation in India" in January last, the general subject has received a measure of public notice, which is a most welcome sign of the times. The industrial question, as it presents itself in India under the unique conditions of British rule and modern life, is a question, which, view it as we may, seems to transcend and overshadow in importance every other question of our time, and, which, we think, ought no longer, consistently with due regard to the economic future of the country, to be put aside. To the nation as a whole, the question in its broadest aspects is one of "to be or not to be" in the industrial state-system of the world; to millions and millions—"born and yet unborn—" of its individual members, it is a question of bread or no bread; and it is really re-assuring to find from recent discussions that there is a rare consensus among leaders of thought throughout the country as to the serious magnitude and urgency of the problem that confronts us in "the living present." The Industrial Conference held in Poona in May last, as focusing the representative opinion of the Deccan, is an event of no small significance in this connection. But, further, it is gratifying to observe that the question is even advancing as yet—of course, by slow and tentative steps—beyond the theoretical stage of discussion. The formation of a Native Shipping Company at Madras, the registration of a Native Railway Company in Bengal, the springing up of a number of technical institutions in Upper India, and the foundation of Industrial Museums in Poona and Bombay, within the past few months, may be noted as some of the more striking evidences of the national awakening, and mark a turning point in our economic history. Altogether, we think, we are on the eve of a new departure, and the future is full of promise. Surely industrialist leaders like the Hon'ble Mr. Ranade and Captain Beauclerk will see in these recent discussions and practical beginnings much to encourage them to persevere in their almost single-handed endeavours to give proper shape and direction to the new forces making for a grand national

* This contribution appeared in the Poona Sarvajanika Sabha Journal, October 1890.

upheaval in this economic sphere. The movement is one which seeks as its sole and single purpose to raise a great historic nation from the slough of grinding poverty and suffering, and thereby ameliorate the condition of a full sixth of the whole human race, and as such, must appeal to the warmest sympathies of every lover of his country and of humanity. For ourselves, we are confident of the future. The Government of India is animated by the best of intentions, and is now fully roused to a proper sense of its obligations in the matter, and that it shall honestly and earnestly strive to do its part is the plighted word of Her Gracious Majesty the Queen* Empress to the people of India; for, says Her Majesty to us in her Magna Charta of 1858, "it is our earnest desire to stimulate the peaceful industry of India, to promote works of public utility and improvement and to administer its government for the benefit of all our subjects, resident there-in. In their prosperity will be our strength, in their contentment our security, and in their gratitude our best reward. And may the God of all power grant to us, and to those in authority under us, strength to carry out these our wishes for the good of our people." And all that is needed for the success of the new movement is for the nation to endeavour to do its own part, relying in the endeavour on the hearty and generous help of Government, which it is bound in duty, no less than in solemn promise, to extend. This being so, we almost seem to see in the new signs of the national awakening, (in the words of John Bright) "above the hill-tops of time, the glimmerings of the dawn of a better and a nobler day for the country and its people," and feel encouraged to proceed with our own humble share of the work by following up our inquiry into the economic situation in India, begun on a former occasion, on the basis of a more detailed analysis of recorded facts and evidences.

Our survey of the economic situation, as attempted in our January article, was necessarily of a general character, and was intended to focus its broad and determining features and emphasize their significance. We summed up these features to be "(1) *acute, wide-spread, growing poverty all over the country*, (2) *increasing severe distress among the lower classes* and (3) *absence of economic staying power in the masses*," and we endeavoured to show that the situation thus summed up was with us almost solely the result of a prostration and partial dislocation of our old balanced industrial organisation. The issue being one of fact, there was little room for difference of opinion, and in fact little or none has been expressed. As is,

however, only too natural, views begin to divide off and diverge when we come to consider the question of responsibility for the past and of remedial and protective action for the future. On the question of responsibility, we see no reason to correct or modify our views, as previously expressed. We still think that, whatever the faults and short-comings of the people, in this matter the State in India has much to answer for. When it became apparent towards the close of the first half of the present century, after the abolition of the E. I. Company's trading privileges, that an industrial revolution was imminent and unavoidable, consequent on the country being drawn into the broad world's arena of international commerce, in a state of complete unpreparedness, the British Indian Government, we think, guided by the economic experience of the West, was bound to intervene to balance the force of the impact and equalize the conditions of the new competition, and, in the circumstances of the time, might have intervened with most extensive success. And it is our decided conviction that if the British Government in India had done in time, for our industries and our industrial classes, half of what the national Government of Germany did under parallel circumstances, to safeguard the growth of German industries after the close of the War of Liberation, when Germany stood to England and other stronger countries in much the same economic relation as India does now to the competing world, the economic problem with us, in its present alarming features and dimensions, would in all probability never have arisen. But this is now only a question of ancient history, and, as such, we would leave it to the historian of British India.

Our present concern is not with the past—its fateful errors and its blighted hopes,—but with the future—its serious danger and its imperative demands. A growing, exceptional poverty such as is fast falling to our share as a nation, a poverty already crushing and degrading in the case of millions and millions in the lower strata of the population—and that, further, under conditions which we feel ourselves increasingly helpless to modify—is, in our opinion, from a social and political, no less than from a moral and economic, point of view, a danger of the first magnitude, to which we ought no longer to close our eyes. Obviously, such wide-spread poverty must ever be the most formidable bar to every variety and degree of national progress. The appalling amount of misery and suffering that already exists all the country over invests the question with a deep ethical aspect, and the harrowing history of the famine of

the past five and twenty years has painful lessons to convey, which, it is to be devoutly hoped, no more famines will be needed to enforce. But there is a still more serious side to the question. The history of popular revolutionary struggles all over the globe is full of warning on the point to both rulers and leaders of nations. In such cases the economic question rises to the gravity of a socio-political question of the greatest seriousness, and cannot be on the *laissez faire* principle let alone, under penalty of frightful disaster, to work out its own solution. This brings us to our tentative scheme of industrial reform on the conjoint basis of State aid and popular self-help, drawn up in brief outline in our January article.

We are afraid the nature of our recommendations on the subject is somewhat misunderstood. Our scheme emphatically is not a scheme of *State-socialism*, such, for instance, as was attempted with fatal ill-success by the Provisional Government in France in 1848. With us, the evil of poverty is not confined to any particular classes, nor is it in any way attributable to failure of social arrangements in any strata of the community. We have here no unjust inequalities in the distribution of wealth to rectify and no chasms to bridge over, dividing off class from class; we have here no "Claims of Labour" to urge, no "Duties of Capital" to enforce, and no "Rights of Poverty" to plead, and we do not ask for a recognition of the *droit au travail* and the establishment of *ateliers nationaux*, as its natural corollary, for the simplest and strongest of reasons, *viz.*, that no such measures can here apply or avail. Our difficulties are altogether different, and so are our requirements. Ours is an exceptional case. It is the case of a whole community, opposed to rival communities superior to it in every industrial resource, forced, unprepared, by circumstances beyond its control into an industrial competitive conflict with them, and reduced to poverty and industrial resourcelessness as the result of that unequal conflict and brought to an industrial *impasse*. What is wanted here is not the Poor Law of Elizabeth nor the *ateliers nationaux* of the Provisional Government—neither of which could do for our purpose,—but a comprehensive scheme of collective action—Governmental and popular conjoined—so devised as to help us to get out of the *impasse* by our own exertions, aided where need be.

Nor, even, in respect of Governmental action in this direction, do we recommend any extensive assumption of *direct* responsibilities by the State with a view to promote the national

progress of the country. On the contrary, we earnestly deprecate such assumption, as being not only beyond the legitimate province of Government interference in matters economic, but as more likely than not to defeat its own central aim. State action, in this department of human affairs at all events, to be beneficial must be strictly *in aid* of private effort, and in no case and under no conditions *in supersession* of it. It is a necessary condition of its success that it must in no way impede, but aid and stimulate, to the greatest possible extent, industrial exertion and independent development. This economic function is at best an extraordinary function, devolving on the government of a county in exceptional circumstances, and it cannot be too careful how it fulfils it. In such cases, the only way in which the State can hope permanently to improve the tone and stimulate the functional activity of the industrial organism, is not by supplanting and superseding the individual worker but by so improving and elevating his character as to enable him to do the work, which is his own, better and in independence of extraneous help. A course of State action, which seeks to help him by undertaking to do his work for him instead of helping him to do it for himself, can never succeed; the worker will be maimed and dwarfed, nor will his work be any the better done for such direct State management. No doubt, in a country like India, exhausted by the exhausting struggles of centuries, where the people are not in a position to attempt any thing for themselves, which requires "large means and combined action," the field of direct action for a civilized Government must be large and, practically, even unlimited, but even here, as John S. Mill insists, "the mode in which the Government can most surely demonstrate the sincerity with which it intends the greatest good of its subjects, is by doing the things which are made incumbent on it by the helplessness of the public, in such a manner as shall tend not to increase or perpetuate but correct that helplessness. A good Government will give all its aid in such a shape as to encourage and nurture any rudiments it may find of a spirit of individual exertion. It will be assiduous in removing obstacles and discouragements to voluntary enterprise, and in giving whatever facilities and whatever direction and guidance may be necessary; its pecuniary means will be applied, when practicable, in aid of private efforts rather than in supersession of them, and it will call into play its machinery of rewards and honours to elicit such efforts. Government aid, when given merely in default of private enterprise, should be so given as to be as far as possible

a course of education for the people in the art of accomplishing great objects by individual energy and voluntary co-operation." (*vide* Pol. Eco. Bk. V. Chap. XI. para 16). But these necessary limitations of scope and direction to State intervention in this matter are oftener than not overstepped, and "the mischief begins", as the same distinguished economist points out in his Essay on Liberty (*vide* pages 206-7), "when, instead of calling forth the activity and powers of individuals and bodies, it (*i. e.* the State) substitutes its own activity for theirs, when instead of informing, advising, and, upon occasions, denouncing, it makes them work in fetters or bids them stand aside, and does their work instead of them." It is forgotten that "the worth of a State, in the long run, is the worth of the individuals composing it, and a State which postpones the interests of *their* mental expansion and elevation to a little more of administrative skill, or of that semblance of it which practice gives in the details of business,—a State which dwarfs its men in order that they may be more docile instruments in its hands even for beneficial purposes—will find that with small men no great thing can really be accomplished; and that the perfection of machinery to which it has sacrificed every thing will, in the end, avail it nothing for want of the vital power which, in order that the machine might work more smoothly, it has preferred to banish." In India, we regret to observe that the tendency in this respect has set in strongly the wrong way. The State with us, with the best intentions but in inexplicable defiance of moral and economic laws, is taking upon itself, on behalf of the development of the country's material resources, *direct* and extensive responsibilities which do not, strictly speaking, appertain to its proper sphere, and which it is obviously beyond its power to properly and advantageously discharge. In respect to *irrigation*, *forest conservancy*, *tagai* allowances, we are strongly of opinion that Government is unwisel attempting to accomplish by its own agency the work which private native enterprise should be trained and encouraged and even subsidised if necessary to carry out. As we shall endeavour to show in a later part of this paper, more than half a century's experience demonstrates the essential unsoundness of such a policy. It might succeed in building up a pompous material fabric of false dazzling splendour, concurrently with a deplorable diminution in the industrial energy and self-reliant enterprise of the nation; but the fabric must be unstable, liable to fail and crumble away, in course of time, for want of internal supports.

Nor again does our scheme contemplate narrow Protectionism. A Protectionist tariff is no part of our programme. Although we do not go the length of saying with Mr. Gladstone that Protection is in all circumstances, morally as well as economically, "bad", and hold with Mr. J. S. Mill that it is both defensible and beneficial when "temporarily" adopted "in a young and rising nation" to allow "a fair trial" for new industries "under a new set of conditions," we yet think with Mr. Justice Cunningham that, here in India, it has to be regarded as altogether lying outside the pale of practical politics. Besides, a mere "China Wall" of protective duties, even if one could be reared up—which is obviously impossible without provoking "a dangerous collision of interests" between this country and England—would not, we apprehend, help us in any material way, unless we could manage, behind the temporary shelter of such a fiscal wall, to get our system into order, and, growing strong in industrial strength, prepare ourselves to meet foreign competition, independently of such a shelter. The adoption of "Protection to Native Industry" pre-supposes that the protected country is in course of such preparation or is about to enter on it, and requires, in its special circumstances of industrial weakness or disorganisation, the shelter of prohibitory duties during the preparatory stage; and unless and until the course of such national preparation for a free industrial struggle has fairly commenced, and the necessity for such temporary "assurance" against outside competition has been clearly established, a protectionist tariff would be open to all the condemnation pronounced upon it by the great English statesman. As we view the matter ourselves, even a temporary check to free, unfettered, healthy contact with the world's commercial common-wealth of nations has, we think, its inconveniences and draw-backs, which the people of India, who have yet to acquire the true spirit of industrial freedom, ought not to under-rate, and which in conceivable contingencies might be found to be too high a price to pay in the long run of time for this security against the stress of outside rivalry.

What we propose is essentially and emphatically a scheme of industrial revival based on self-help. Self-help is to be our guiding principle of action, State aid to be asked only when and where it may be necessary. State aid, however, we are aware, when once invoked, is often apt to degenerate into aggressive State action, supplanting private effort; and therefore, in seeking it, we propose to surround it with such strict limitations of scope, direction, and time as are laid down by

Mr. Mill. We are fully alive to the dangers of State interference in this economic field, when carried beyond such limitations, and which seeks,—as, for instance, in France in the 17th and 18th centuries under the Government of Louis XIV and Louis XV—or tends,—as at present in India under the British Government—to concentrate intelligence, talent, enterprise and executive capacity within the governing body, and "starve and discourage" the growth of such qualities "outside the pale." Such dangers are peculiarly great in a country circumstanced as ours is at present, in which the distance between the rulers and the ruled in point of civilization and the resources which civilization commands is immense, and the tendency must always be strong to carry "the co-ercive philanthropy of a paternal Government" to undue and undesirable lengths. And we should be untrue to ourselves and untrue to all our national traditions, if we should ever persuade ourselves into asking or even consenting *sub silentio* to be put and kept in the swaddling clothes of State protection, and be disabled for independent economic advance for all time to come. But, on the other hand, we have to bear in mind that so vast and so varied is the direct and indirect influence of State action, even when confined on the extreme *laissez faire* principle within the narrowest bounds, over the course and fortunes of national industry that it is of supreme importance that such influence should be exerted in such manner as not only not to impede in any the remotest degree, but to give the greatest possible encouragement to, national self-helping effort and independent development. The lines and points of contact and interaction are many, and national industry must suffer if such contact and interaction should prove repressive or obstructive; and it becomes an essential condition of national material well-being that Governmental action, even within the "necessary" sphere, to be a benefit, must be in sympathetic harmony with its needs. Thus without calling upon Government to go one iota beyond its legitimate powers and its admitted "necessary" functions, the industrial worker in this country has a title to claim from it, within the limits of the exercise of such powers and functions, like his compeer in every other civilized country on the globe, the *maximum* of *moral stimulus* and indirect material aid to self-exertion and self-improvement, with the *minimum* of vexatious and obstructive interference, and we may add, of paternal co-ercion, possible under the circumstances. He has a right to demand *inter alia*—

(1) That in all branches of industry the worker should have the very completest assurance of the full fruits of his work and sacrifices. The Ryot, for instance, must have a permanent limitation and settlement of the State demand upon the land and absolute non-taxation of his improvements before he can be induced to apply to any extent his industry, skill and capital to the soil. Nothing short of a full sense of proprietary interest in the land has sufficed to promote agricultural improvement in other countries of the civilized world, and can suffice in India. We are convinced that full one half of our present agricultural depression is directly traceable to the unsettling and demoralising action of our Settlement Departments, whose one guiding article of faith is the mischievous economic doctrine of unlimited State proprietorship of the soil with its corollary of the "unearned increment," and it has always seemed to us rather unreasonable to expect, human nature being the same all the world over, the Indian Ryot to do for his land what no peasant of France or Germany would ever care to do under parallel conditions.

(2) That the general taxation of the country should never be oppressive and out of proportion to just requirements and the country's capacity to pay. Economically, no less than financially, it is a blunder to pitch the level of public burdens so high, as it is done in India, as to sweep away into the treasury the major part of the net returns to national industry and thereby leave little room for industrial savings and but weakened motives to save. A fiscal system, which keeps up an overflowing Exchequer, and lets the people starve, violates every principle of good finance.

(3) That the fiscal burdens of the State—whatever they are—shall be equitably arranged and so adjusted as to weigh with the minimum of pressure upon the springs of national industry. A tax, like the salt tax in India, which keeps "the beast thin and the people thinner", ought not to find a place in the fiscal arrangements of any country within the pale of civilization.

(4) That there should be the strictest and severest economy in administrative expenditure. In a country so poor and so industrially backward as India, it cannot be too often repeated that the pressure of public taxes should be as light as possible. The Indian tax-payer, though about the poorest in the world, has to pay for the most expensive administration

ever devised, and has, besides, *a budget extraordinaire* of between 20 and 30 millions to face and provide for every 10 years.

(5) That the resources of the State,—vast as they must always be,—should in no case be employed as against the industrial classes of the country, to help and subsidize foreign enterprise. Exorbitant concessions to the railway, mining, and planting foreign interests in the country, involving a permanent surrender of some of the nation's valuable rights of property, under cover of promoting the material development of the country, have no justification either in the necessities or in the expediencies of the case.

(6) That the State should not monopolise in the hands of its huge Departments the greater part of the country's work, which belongs to private enterprise, and that it should leave to the people of the country, and suffer and even, if need be. "encourage them to manage" as many as possible of their joint concerns by voluntary co-operation" (Mill's Pol. Eco. Bk. V. Ch. XI. Sec. 6). With us, as things are, Government, wielding its practically unlimited resources, has constituted itself about the sole Railway Constructor, the sole Irrigator, the sole Forest Conservator and seeks to make itself the sole Creditor for its 200,000,000 subjects. Such a monopoly, it is obvious, of so many of the nation's collective industrial concerns in the hands of the State Departments, even when established, as in this country, with the best intentions, must in the end prove to any country a doubtful blessing, if not a positive curse. In the economic no less than in the political sphere, the only effectual security against national enslavement lies in the widest possible diffusion of "intelligence, activity and public spirit" among the people. The people of this country, who have yet to acquire "a capacity for large concerns" and habits of associative action, require even more than any other people to be associated with the initiation and management of such collective concerns for the valuable moral and intellectual training such association must yield, if for no other reason; their dissociation, under present arrangements, from the prosecution of such collective effort accounts, in our opinion, for half their present incapacity and want of enterprise in the matter.

Thus, a complete assurance to the worker of the fruits of his work—including a Permanent Settlement of the Land Revenue; fiscal reform, based on a policy of economy, retrench-

ment, and equitable adjustment of public burdens ; an impartial employment of the State's resources ; a better and more sympathetic P. W. policy—which should associate the people with the management of large works of public utility—these are some of the things which the Indian industrial worker has a right to expect from Government within the limits of its "obligatory" functions, and indicate the sort and measure of what we would call *necessary aid* which a State is always bound to give to its subjects in the pursuit of their industries.

But we go somewhat further, and, in view of the necessities of our historical situation, beseech on behalf of the industrial worker of this country a considerable measure of what we would designate as "optional aid" from the State—under, of course, due limitations of scope and direction. There are the accumulated impediments of the past in our way, which we with our present resources are unable, unaided, to remove, but which, unless removed, must render any progress impossible. There is, for instance, the formidable evil of popular ignorance,—not even 10 per cent of the population know how to read and write ; the absence of capital in the country, coupled with disorganised credit,—interest ranges at between 20 and 40 p. c. per annum ; there is a sad want of enterprise and power of initiation—no large works have yet been taken up by indigenous private enterprise. Heavy is the incubus of a deplorable past, which has to be removed by the joint efforts of Government and the people before our future economic advance can in any degree be assured, and we therefore ask for an adequate provision for national education—general and technical ; cheap banking facilities through the agency of the State-aided banks of deposit and issue ; subsidies to pioneers of native enterprise, and similar aid in various other minor matters. And this is the extent of "optional aid" we require from Government, and that, too, for a time. As soon as the evils of the past have been got over, Government will be perfectly free and right to withdraw it and let us alone.

With such and so much aid from the State—partly necessary and partly optional,—we think, the Indian industrial worker will be, and ought to be, satisfied. For the rest, he must rely on his own efforts and work out his own economic salvation. He must bear in mind that in this as in so many other departments of human affairs, self-help is the best, safest, and surest way to success ; "*aide-toi, et le Ciel t' aidera*" must be his motto. He must remember the poet's advice :—

"Do what thou canst and then invoke the Gods,
"God helps the man who toils to help himself."

Such is our scheme; according to our view, Self-help should be with us the keystone of the arch, State-aid serving only as a subsidiary prop. The scheme is put forward with the greatest diffidence, and with a view to elicit and help rather than guide practical discussion on a subject of much difficulty and complexity. As we said in January last, it is beside the scope of our plan to formulate any definite constructive scheme of industrial revival; any such can only be the work of united India in Industrial Conference assembled; and we beg to resume our inquiry into the economic condition of the people, with such imperfect lights as we possess, in the confident hope that the more clearly that condition is understood and realized, the more helpful it would be to a practical consideration of remedies for recognised evils. On the present occasion we propose to take up *Agriculture*, (1) because it is not only the first, but almost the sole surviving one of our national industries, and (2) because, in view of the Agricultural Conference assembling at Simla in this month, such a survey of the present position of this industry from a non-official stand-point may be of some service.

As the direct result of a forced economic revolution, effected under peculiar circumstances in little more than half a century, India has come to be what she was not for centuries past,—an exclusively agricultural country. Moreover, agricultural industry, under present conditions, is not a paying industry in the sense in which it once was, and in which it now is in Canada, Australia, the Cape, or the United States,—countries, be it remembered, which "have been but recently settled, have as yet a very small population, and own vast areas of virgin soil waiting only to be ploughed to yield good crops." India, on the other hand, is an old and exhausted country, densely inhabited, with no margin available of good land, and it rests industrially speaking on a non-economic basis, when it has to depend on agriculture as the only surviving resource

left for its people's subsistence. The central determining consideration in the present situation of the country is accordingly the fact that by far the largest proportion of her inhabitants is agricultural, either living exclusively by the soil, or eking out the earnings of other employments by the produce of the land they till, or as agricultural labourers. According to our estimate given on a former occasion, 86 p. c. of the entire population of the country is so dependent, including agricultural labourers, while 7·2 p. c. only are otherwise engaged, the remaining 6·8 p. c. being employed in Government or domestic services &c. The population of British India, excluding Native States, as estimated in March 1888 was 208·8 millions, and applying the above proportions, we have the following :—

Agricultural population dependent on the soil=179·56 millions. Non-agricultural population dependent on other industries=15·03 millions. Population dependent on service and professions=14·21 millions.

[The coming census will supply a truer basis for this classification.]

It has to be further observed that the non-agricultural proportion of our industrial population, which is already so small—barely 7·3 p. c.—is becoming steadily smaller still, as the old indigenous manufactures of the country (in the words of the Madras Adm. Report for 1889 p. 87) "are dying out before the cheap machine-made goods imported from Europe." The economic change is now very near completion, and we may, for practical purposes, assume that the population of the country is almost exclusively agricultural, working at the plough and living on the soil, the few non-agricultural industries, still left, being "local," subsidiary and altogether unimportant.

Our position, thus set forth in respect of the national disposition of productive labour, may be advantageously compared with that of other nations, and the following table, taken from Mulhall's Dictionary of Statistics, p. 331, relating to "occupations," marks a most instructive contrast :—

A—"Workers in all Nations."

	Ratio.			Total.
	Agriculture.	Manufactures.	Various.	
England	11·3	34·7	54·0	100
Scotland	12·3	34·0	53·7	...
Ireland	29·9	9·9	60·2	...
United Kingdom ...	14·6	30·4	55·0	...
France	51	24	25	...
Germany	43	34	23	...
Russia	81	5	14	...
Austria	55	13	32	...
Italy	70	7	23	...
Spain	30	12	58	...
Portugal	45	8	47	...
Belgium	40	38	22	...
Holland...	58	12	30	...
Scandinavia	61	9	30	...
				...
Europe	55	17	28	...
United States	26	12	62	...
				...
Total...	51	17	32	...
				...
India ... ... (according to our estimate).	86	7·2	6·8	...

From these figures it is apparent that in no other country of the world is there such a perilously exclusive restriction of national labour to this single industry of agriculture as in India. Even in "agricultural" Russia and in the "infant" kingdom of Italy, the state of things is a good deal better, and what is still more significant—is fast improving under the protective care of their national Governments. All over the globe, we see, nations have struggled or are struggling to pass out from the cramped, contracted sphere of agricultural industry into the free and elevating atmosphere of manufacturing and commercial expansion; India alone, far famed till within the memory of living men as the land *par excellence* of rich and varied industrial activity, has been compelled to revert to the

position of a primitive agricultural community, as described by J. S. Mill in his Political Economy, (vide Prelim. Remarks) —a community, earning little beyond the barest necessaries of life, and little removed from the pastoral or nomad stage.

Such a retrograde change in our national disposition of labour will appear under different aspects to different minds. To the Sociologist who thinks that, in the economic no less than in every other sphere of human affairs, diversity of individual type and organic development is the very soul of true progress, this revolutionary change—for it is nothing less—must appear as a deplorable result of some Procrustean process ruthlessly applied to the old industrial system of India, which has levelled down a whole people and thrown back for centuries the advance of a full sixth of the human race. Similarly to the Positivist student of Economics, who holds with the Washington bureau of Agriculture, that it is an essential factor in the prosperity of nations that "there should be a harmonious distribution of labour, by which all grades of physical powers, all peculiarities of taste, all degrees of special aptitudes may be most advantageously employed", the change must seem a change of mournful and alarming significance,—a change which limits and restricts all the nation's labour to a single industry, and that, too, an industry peculiarly subject to the inexorable economic law of "*diminishing returns.*" To the responsible rulers of the country, this utter break-up of its old well-balanced industrial system appears as the most serious feature in the economic situation,—and the most alarming factor in the general "problem of Indian poverty." The evil of "over-population"—of a population rapidly outgrowing the means of support supplied by a conservative system of agriculture—is a source of the greatest apprehension to the Government of India (*vide* the Resolution on Technical Education, July 1888). Independent observers too, like Sir J. Caird and Mr. R. Giffin, approaching the question from their point of view, appreciate fully the difficulty of increasing the food supply in a way adequately to meet the wants of a growing population. To the doctrinaire Free-Trader, however, who thinks that the goal to be reached in the world's race in this respect is a complete international division—according to varying national aptitudes—of productive labour, the change in our industrial occupations that has taken place, must appear as the realization of his beau-ideal of theory,—a whole nation applying all its energy to the one industry that suits it best, a most happy consummation fraught with the richest promise; and the average

Anglo Indian administrator, who is usually a Free-Trader, shares the same Free-trade illusion, but finding poverty and suffering where he expects plenty and comfort, contents himself with attributing the strange phenomenon, not to our present abnormal distribution of national labour, which allows no field for varied industrial activity, but to inherent defects in our national character.

But, be that as it may, the economic change in our national system is one of grave moment, and is opposed, and runs counter, to the entire tendency of modern times. The final catastrophe is yet some way off and beyond sight, but 16 famines in 18 years (1860-1—1876-8) with a total record of 12 million starvation deaths afford a sufficient warning of the coming event. Our present so-called "agricultural prosperity" appears to many careful observers of the situation to be as hollow and artificial as Ireland's ever was, in the 18th century, and what complicates the problem with us is that our vast numbers have but a poor safety-valve in emigration. While Ireland in the course of 30 years sent out 3 millions out of its small population of eight millions, anxious official inquiries on the subject of emigration from India to the British colonies, instituted by the Secretary of State during the famine of 1876-8, showed that the colonies required "no more than 20,000 emigrants annually" (*vide* the *Pioneer*, April 1878); and that Burmah and the Central Provinces, on which Government so much relied, would soon be filled up. The situation is full of danger, and we submit that before the danger comes on and overtakes us, it is a solemn duty we owe to ourselves and to our children and children's children to try to do what in us may lie to avert it by timely and judicious precautionary action. The experience and wisdom of United India alone can deal effectively with the situation, and we will only endeavour in these pages to examine this change in our industrial status in its various economic bearings.

The subject falls under two heads :—

(1) The present condition of Indian agriculture as a national industry, particularly in relation to the country's growing requirements in respect of food-supply and profitable employment; and

(2) The present position of the Indian Ryot, his poverty and his difficulties.

At the outset, we have to express our regret with Mr. J. A. Baines C. S. that there still are no "complete" nor even, in some cases, "approximate statistics, concerning the industry upon which so large a proportion of the Indian population depends for its existence." But, such as they are, they seem to afford a fairly sufficient practical basis for such a review of the question, and we will begin with an inquiry into the present condition of our agricultural industry.

The first fact to notice in this branch of our inquiry is the vast extension of cultivation that has taken place all over the country during the last 30–40 years. "Since 1858," we read in the recent India Office Memorandum on some of the results of Indian Administration (page 10), "the cultivated area has more than doubled in thinly peopled tracts like Burmah and Assam; it has increased by 30 to 60 per cent in the Central Provinces, Berar and parts of Bombay; even in the thickly peopled province of Oudh it has increased 20 p. c." The fact, however, of this large extension of cultivated areas is no matter for unqualified satisfaction, as the writer of the India Office Memo. appears to suggest; part of it only can in any sense be described normal and healthy,—the rest being more or less compulsory, and carried out on an essentially non-economic basis: and there are certain well-marked stages in the course of this expansion of our agricultural industry which it would not be uninstructive to note.

The first stage is one of *agricultural depression*. A chronic agricultural depression, as Sir W. Hunter points out in his Imperial Gazetteer (Madras), prevailed all over the country throughout the first 40–50 years of the present century. Money was scarce, trade was dull, prices were low, the settlements of land revenue were for short periods, the assessments were heavy (the State demand often amounting, as in Madras, "to as much as one half of the gross produce") and the commuted money payments for payments in kind pressed heavier still; besides, the country over large areas was yet unsettled, and wars and ravages of wars were not at an end. The consequence was that much land remained waste, and much even went out of cultivation, and there was much suffering in most parts of India. Speaking of the condition of the Deccan in 1830-1850, Sir B. Frere said (in his speech in the Legislative Council, Bombay 1865):—"The whole of the Deccan had been more or less exhausted by the errors and mismanagement of former Governments. The removal of the

Native Court and Army had destroyed the local market for produce; no foreign trade adequate to supply its place had grown up; the prices of agricultural produce and of labour had for years been steadily falling; and the Government revenue was "as steadily decreasing." Barely more than two-thirds of the culturable land in any district was under cultivation. Frequently, as much as two-thirds of the land was waste, villages almost deserted were frequently to be met with, some were "*be-chiragh*" without a light in them, utterly uninhabited. The people were sunk in the lowest depths of poverty..... The revenue to be derived from the land was practically dependent on the discretion of the local officers. There were, it is true, fixed customary rates which nominally regulated the assessment to be paid, but they were so much higher than could possibly be paid at the then existing prices of produce, that it was necessary to grant remissions ("Deccan Riots Commissioners" Rep-App. A. page 20). Similarly, writing of Madras, Sir. W. Hunter remarks, "the old prescriptive demand of the State based on the assumption of a share of the crop—as high as ½ in theory—was commuted into a money rent charge at the high prices current in the early years of the century. Prices steadily declined in subseqent years, and between 1830-45 they fell so much below the commutation rates that much land was thrown up and remained out of cultivation, and the condition of the agricultural population became depressed and critical." The state of affairs in the N. W. Provinces was equally deplorable, and in Bengal also the heavy assessments punctually exacted obliged the old race of Zamindars to sell out, and their place was taken up by speculators and professional men from Calcutta.

The next stage which succeeded this early feature of British rule was the stage of *Agricultural revival*. Matters did not begin to mend till a short time before the Mutinies. The Russian war gave the first upward impulse to our collapsing agriculture. Then the Mutinies followed, and with the return of peace and security, good times came, and the general improvement in the economic condition of the country between 1854 and 1872—a period of nearly 20 years—was considerable. The land revenue settlements were revised in Bombay, Madras and other parts of the country, and were made for longer periods, generally 30 years; the rates of assessment were lowered, the State demand being fixed at one half the "net assets" instead of ⅔; new Land Revenue and Tenancy Acts were passed in Bengal and the North-West Provinces with

a view to reform tenant-right, and give the cultivating Ryot greater security of tenure in all the Provinces of the Empire. Communications were developed, roads and bridges were constructed, and the number of miles of railroad open for traffic rose from 20 in 1853 to 3797 in 1872. The foreign trade of the country increased and expanded; the exports of merchandise—mainly agricultural produce—more than doubled, rising from 29·8 crores in 1859 to 64 crores in 1872; British India entered with much energy into the general commercial concert of nations, securing for her products a broad and firm footing in other markets and in competition with more powerful rivals. The "Economic Equation of International value," asserted itself, and prices now rose to a high level—almost at a bound—to be in sympathy with those ruling elsewhere in the broad arena of the world's trade. Money flowed in, the imports of silver between 1855-6 and 1871-2, aggregating no less than 175 crores, and Government P. W. borrowing and private Railway guaranteed loans long kept up this large influx of the precious metals into the country. The American War of Secession intervened, and caused a temporary but violent upward oscillation, sending up both trade and prices to an abnormal height. There was a slight descent when that war closed, but the opening of the Suez canal, and other circumstances had a steadying effect, and a high level was maintained all round, though not without many "oscillations". As a result of the concurrent action of so many economic influences working in the same direction, our agriculture revived from the depression of half a century, and for a time delusive prosperity smiled upon the land and dazzled both the rulers and the ruled. The condition of the Ryots improved a good deal; and the cultivated area showed a large increase in most provinces. The following figures relating to such increase, gathered from official returns, will be interesting:—

	Year.	Cultivated area.	
Madras.	1852-53	9·78 million acres.	Increase of about 80 p. c.
	1862-63	16·19 do.	
	1872-73	16·97 do.	
Bombay.	1850-51	12·691 do.	Increase of 110 p. c.
	1860-61	17·992 do.	
	1871-72	26· do.	
N. W. Provinces.	1851-52	21·29 do.	Increase of about 15 p. c.
	1870-71	24·84 do.	
Central Provinces.	1858-59	11·107 do.	Increase of about 20 p. c.
	1870-71	13·29 do.	

Thus, this period (1858-1872) was a period of marked agricultural revival, and would have been a period of agricultural prosperity also but for a variety of circumstances, among which may be mentioned the following :—

(1) Famines and scarcities that afflicted the country during the period :—

Famines.	Affected Area in sqr. miles.	Population affected.	Mortality estimate.
1860-1 N.W. Provinces. Punjab. Native States.	53,500	20,300,000	500,000
1865-6 Bengal. Madras. Bombay. Mysore and Hyderabad.	1,80,400	47,600,000	1,300,000 and 5,85,000
1868-9 N.W. Provinces. Punjab. Central Provinces. Bombay. Rajputana.	2,96,200	44,400,000	2,950,000

Total Famine mortality —5,335,000
(Vide Fam. Comrs'. Report.)

(2) The collapse of non-agricultural industries, by reason of the displacement of indigenous manufactures by imported articles and resulting in an increased pressure of the population on the land. This displacement of indigenous manufactures will be gathered from the following statement of

Imports of Merchandise.

Year.	Cotton twist yarn and manufacture.	Other articles.	Total.	
	(Mill. £)	(Mill. £)	(Mill. £)	
1859	9·8	11·9	21·7	Showing increase of 50 p. c. in 14 years.
1866	13·8	15·7	29·6	
1872	17·4	14·6	32·	

(3) Increase of "Home Charges" and other foreign liabilities, as reflected partly in "net excess of exports." These excess exports were about 4 or 5 crores before 1885 and the Home charges were about 3 crores in the same year.

Year.	Home charges. Mill. £.	Net exports of total trade. Mill. £.	
1865–6	4·98	19·96	—Showing an increase of Home charges over 200 p. c.
1871–2	10·70	21·03	,, ,, Net exports over 5 p. c.

(4) Growth of public burdens.

	Revenue. Mill. £.	
1859–60	39·7	
1865–66	48·9	Growth 25 p. c.
1871–72	50·1	

These four blights of the period robbed it of much of its promised bloom. However, it may, on the whole, be said that this period was one of comparative ease and repose to the agricultural interest.

We next come to the third stage which may be described as one of *Agricultural depression*. Agricultural distress and shrinkage of cultivation characterize this third period. It was heralded by severe agricultural distress which culminated in the great famine of 1876–78, which prevailed over the greater part of the country. The six years intervening between 1872 and 1876 were years of irregular or deficient rain-fall is some Provinces, and of severe drought in others, and there was much

distress in the land. Prices of agricultural produce heavily fell; assessments in parts of the country (*e. g.* the Deccan) at first fixed on the basis of abnormal prices current during the preceding period had to be lowered; and the Ryot's difficulties with his Sawkars commenced with the shrinkage of his credit. His position became worse and worse, and he was deeply involved in debt. In some districts (*e. g.* Nagar) he threw up his land for want of means wherewith to continue the tillage; in others, he kept tilling it—but more like a serf than as a free cultivator. The result was a large decrease of cultivated areas. The droughts and famines of the period deepened the distress. In Madras, the cultivated "Rayatwari" area fell off by nearly 2 millions. "In Bombay," says Sir C. A. Elliott, "the cultivated area is known to have fallen off considerably in these years of droughts, and the agricultural returns show the decrease to have amounted to 7 million acres or 28 p. c."

Madras—average of 1874-5 and 75-6	
Rayatwari area—17·604 mill. acres	
'76–7	14·150
'77–8	15·752

Famines	Area sqr. m.	Population affected.	Mortality.
Behar Famine 1873–4	54200	21,400,000	800,000
N. W. P. & Oudh...			
1876–8 Madras, Mysore, Hyderabad, Bombay, N. W. P. and Oudh and Punjab.	257,300	58,300,000	5,886,420

While there was such suffering in the land and such shrinkage of cultivation, and while prices steadily declined, our exports of merchandise kept on increasing. The figures are as per margin. Even the exports of grain and

Exports of merchandise.	Crores.
1872–3	55·2
1873–4	55·0
1874–5	56·3
1875–6	58·0
1876–7	61·0
1877–8	65·2

Grain and Pulses and Seeds.	Mill. Cwt. 22·97 2·77	} in 1872-3

increased respectively thus :—

	Grain and Pulses. [Mill. Cwt.]	Seeds. [Mill. Cwt.]
1873-4	19·8	4·4
'74-5	18·1	6·07
'75-6	22·6	10·5
'76-7	25·1	9·5
'77-8	24·6	12·18

pulses and seeds participated in the increase, though showing some oscillations. This expanding export trade—and particularly the export of grain, pulses and seeds—in the face of falling prices and scarcity and dire famine in the land is significant, as showing the forced compulsory nature of the trade conducted under the circumstances. The Revenue increased during this period of distress from 50·2 crores in 1872-73 to 65 crores in 1877-8, and Home charges from 14·7 crores to 16·9 crores—both significant facts (but of this later on).

4th Stage—Agricultural revival :—Lastly we come to better times. Since 1878, we have had a succession of fairly good seasons and agricultural statistics exhibit a recovery from the shrinkage of the previous period (1872-78). The recovery, satisfactory as far as it goes, however, falls far short of the required standard, and leaves us pretty much where we were 20 years ago, except in the Punjab. The figures relating to cultivated areas are :—

Cultivated acreage.

Bombay	'71-2	27·	Mill. acres			RAYATWARI AREA.	
	'88-9	26·9	,, ,,	*Madras*	'72-3	19·69	Mill. acres
		—·1			'88-9	20·62	,, ,,
						+·93	
N.W.P.	'70-71	24.543	Mill. acres	C. Ps.	'71-2	13·270	Mill acres.
	'88-9	24·543	,, ,,		'88-9	13·87	,, ,,
		. . .				+ ·6	
Oudh	'73-4	8·33	Mill. acres	Punjab	'67-8	20·9	Mill. acres.
	'88-9	8·85	,, ,,		'88-9	23·4	,, ,,
		+·52				+2·5.	

Bombay	—·1	
Madras	+·93	
N. W. P.	„	Mill. acres
Central P.	·6	=4·45
Oudh	·52	
Punjab	2·5	

Thus, the increase of cultivated areas in these Provinces since 1871-72 amounts to only 4·45 million acres, an increase, obviously too small for the increased needs, during the period, of an increased population and an increased export trade. The increase of population in these Provinces since 1871 may be calculated at about 11 millions at least (as per margin)—requiring, according to Sir W. Hunter's estimate of ¾ths of an acre of food crop per head, an addition, for its food-supply alone, of more than 8 million acres to the total area under food crops. But, again, during the period, the exports of grain, pulses, seeds, &c. have increased from 32·15 million cwts. in 1870-1 to 76·52 million cwts. in 1889-90, which increase roughly estimated at 80 million bushels represents the yield of at least 8—9 millions of acres more. Allowing, say, 2 millions for Bengal, it is thus clear that the normal equation between population and production on this basis of "extensive agriculture" would have been maintained, if the cropped area in these Provinces had been added to by at least 14 million acres. But as it is, the increase of tillage is only 4·45 million acres—not even ⅓rd of the required acreage,—which indicates a dangerous disturbance of the economic *status quo* of twenty years ago. At any rate the fact seems established beyond doubt that the extensive husbandry of the country has during this period received no adequate extension for its extended requirements in regard to both food-supply and foreign export. How far, if at all, "intensive agriculture" makes up the required deficiency will be considered in a later part of this paper.

Population in these Provinces.	
Census of '71	115·5 Millions.
'81	120·4 „
Estimate at 6 p. c. for '90	127·3 „
Increase since '71	„ 11·8 Mills.

	Exports in Mill. Cwts.
1870-1.	32·15
1889-90.	76·52
	+ 44·37 Mill Cwts.
or 80 million bushels.	

Thus, we have to distinguish 4 stages in the extension of our agricultural industry during the present century:—

1st stage.	1800-50	Severe agricultural depression.
2nd stage.	1858-72	Agricultural revival.
3rd stage.	1872-78	Agricultural distress and shrinkage of cultivated area.
4th stage.	1878-89	Partial recovery.

The total cultivated area according to the latest returns for the chief provinces of British India is 189·35 million acres, distributed as under:—

Cultivated area (1888-9) crop.

Madras	23·15	millions acres.	
Bombay	26·92	do.	do.
Bengal	71·0	do.	(official estimate).
N. W. Provinces and Oudh.	33·69	do.	do.
Punjab	20·72	do.	do.
Central Provinces.	13·87	do.	do.

Total...189·35 millions acres (*vide* agricultural statistics for 1888-89).

The population of these six provinces according to the Census of 1881 was 186·5 millions. As we have had no great famine since 1881 calculating increase of population at ·7 per cent per annum, the total of population may now be put down at 197·75 millions. The following statement contrasts cultivation and population:—

Provinces.	Population 1881.	Population 1890.	Total crop area in May 1890.	Cropped area per head of the population in 1890.
	Millions.	Millions.	Millions acres.	
Madras.	30·45	32·32	23 15	·7 acre
Bombay.	16·48	17·44	26·92	1·5 ,,
N. W. Provinces and Oudh.	44·10	45·74	33·69	·7
Punjab.	18·53	19·96	20·72	1·1
C. Provinces.	9·83	10·52	13·87	1·2
Bengal.	66·69	70·69	71·	1·
Total.	186·51	197·69	189·3	A little less than an acre

As Sir W. Hunter calculates, one acre of crop land at least is required "to keep a human being in comfort", and yet we have, on an average for the whole country, a little less than an acre per head of the population. In Madras and the N. W. Provinces and Oudh, the average per head is even much less.

Thus, with all our vaunted extensions of tillage areas during the last 30 years and more, the cropped area at the present moment is inadequate for the wants of the population, let alone the requirements of an expanding foreign export.

This extension, besides, of cultivated areas inadequate though it has been for the growing wants of the country, has not been an unmixed good, and has led to evils of considerable magnitude. It has trenched to a serious extent on the forests and jungles of the country; it has largely encroached on natural pastures; it has stretched to rocky and sandy wastes and barren hill-sides—soils which can never yield a sufficient return to industry or capital. We shall briefly review the extent of these losses.

(1) Destruction of Forests:—As early as 1846, "extensive clearances of timber" in many parts of the country attracted the serious attention of the Court of Directors, who ordered careful inquiries on the subject. But no effective action was for a long time taken, and these "clearances" continued practically unchecked down to 1877. Sir R. Temple, writing on the question as Famine Delegate in that year, pointed out that "the Southern Peninsula of India has been or is being denuded, not only of its forest, but also of its jungles, its groves, its brushwood", and added:—"If it (this work of destruction) were to proceed unchecked, there would be imminent danger of the rivers running dry, by reason of the catchment basins and the drainage areas near the sources becoming incapable of storing rain-water." This extensive denudation of the country—mainly for purposes of tillage, besides tending to a rapid diminution in the needed supply of timber and firewood, was evidently producing a most injurious effect on its climate, its productiveness, its water-supply, and its rain-fall. The famine of 1876–77 in Southern India was largely attributed to such denudation. The evil loudly called for a remedy, and the State had in the public interest "to interpose," so write the Famine Commissioners, "its authority for the preservation and systematic working of the forests, both to protect the country from serious injury through the improvident destruction of the timber, and to turn to the best account the vast resources

provided by nature in the shape of timber and other produce in demand for export or local consumption." The Hon'ble Sir T. Hope observed in his speech in the Viceregal Council on the subject :—"Without effective regulation and conservation of forests, not merely the public revenue, but the public themselves would suffer, and even risks of famine would be infinitely incurred." But as usually happens in such cases, the interposition of the State in the matter, when once begun, did not limit itself to its higher sphere of restrictive and protective regulation, but, under the large powers vested in the Executive Government by the Indian Forest Act of 1878, it is now showing a tendency to be inconveniently and needlessly aggressive. The Ryots and the village communities, on whose behalf the work was primarily undertaken, are practically being excluded from its over-sight except in the Punjab and Oudh, and the Forest Departments of the State dominate the field, and virtually control the whole area of the nation's forest, and the nation's industry in respect of forest produce, worth several crores a year. Besides, conflicts between State "forest rights" and the people's "forest privileges" have already begun to occur in several parts of the country, *e. g.* in Bombay and the N. W. Provinces. Under the forest Act of 1878, the forests of the State are classed either as "Reserved" *i. e.* "absolutely set aside for strict conservancy," or "Protected" to meet local demand for pasture, fuel and timber; and Sections 35–38 even empower Local Governments to extend the restrictions applying to Government Forest in regard to "the clearing of land for cultivation" and the pasturing of cattle "to forests which are private property," if the public interest so requires it. In most of the Provinces, the Local Governments are taking vigorous measures in this matter of forest conservancy, as will be seen from the following figures relating to the increase of area of Government "reserved" forests :—

Area of demarcated Forests.

Years.	sqr. miles
1873–4 ...	... 10,003
1875–6 ...	... 15,089
1877–8 ...	... 18,113
1879–80 ...	... 41,821
1881–2 ...	... 48,594
1886–7 ...	... 53,756
1888–9 ...	... 54,917

The total of Government forests including "Protected" and "District" exceeded one lakh of square miles in 1888–9.

	sqr. miles.
"Reserved"	54917
Protected	8570
Other	44428
Total	107915 sqr. miles.

There are besides extensive forests in private hands, yet unsurveyed. In Bengal and the Central Provinces alone, such forests are understood to be about 75000 sqr. miles (*vide* Cotton's report p. 202). As a rough estimate of the total extent of existing forests in the country, including both Government and private, we have the following figures :—

Govt. Reserved, Protected &c....	107915 sqr. miles.
Private Forest	85000 do.
Total British India	192915 sqr. miles.

The area of British India is roughly estimated at 900,000 square miles, and the forest area thus estimated is about 22 p. c. of the whole area, and compares favourably with the ratio of forest areas in other countries, as per margin. Our ratio is better than that of France, Italy, Belgium and Holland, but worse than that of Germany, or Russia or Austria. But the forests in these European countries are real forests, while in this country all waste land, not appropriated to cultivation, is absorbed in the so-called forests, and this means much of the difference between fact and fiction.

From Mulhalls' Dictionary.

Country.	Ratio of total area.
India.	22 p. c.
France	17 p. c.
Germany ...	25 ,,
Russia	33 ,,
Austria	27 ,,
Italy	15 ,,
Scandinavia ...	32 ,,
Europe	27 ,,
U. Kingdom ...	3 ,,
Spain and Portugal ...	6 ,,
Belgium and Holland ...	10 ,,

(2) *Contraction of grazing areas*, arising from extension of tillage, is a point of much interest in the general inquiry, but detailed information is not available. Sir W. Hunter, however, remarks in a general way that "the pasture grounds of the villages have, to a large extent, been brought under the plough, and the cattle in many districts have de-

generated from insufficient food" (England's Work in India, pages 65-6). Mr. Robertson of the Sydapet College, Madras, points out the same evil, and Major C. McQuroy laments with him what he calls a "wanton destruction of pasture." The figures for the Punjab and Madras, as far as they go, lend confirmation to the view. They are as under :—

Grazing lands for live stock (Cotton's Report 1882–83 and Agricultural Statistics for 1886–7) :—

Punjab—4,932,058 acres	9,289,765 Cows and bullocks 2,568,726 Buffaloes. 6,399,000 Sheep and goats.	}	12 millions of horned cattle nearly.

Thus every available acre of grazing land in this Province supports 2·4 horned cattle; and 1½ sheep &c.

Madras—grazing land	Live stock—millions.		
5,635,000 acres	10·392 cows and bullocks. 3 319 buffaloes. 11·392 sheep and goats.	}	=13·711 horned cattle.

This gives for every acre of available pasturage 2·4 horned cattle, and 2 sheep.

"In the summer pastures of England between London and Bristol," observes Dr. Balfour, (*vide* Famine Commissioners' Rep. App. page 106), "an acre is necessary for one of the horned cattle with two sheep." The Madras and Punjab figures show barely ½ acre for each head of horned cattle!

(3) *Descent of tillage to poorer and poorer soils.* All over the country, except perhaps in the Central Provinces, the Ryots, as Sir W. Hunter points out, have been obliged with every recent increase of population to fall back on inferior soils—involving, of course, much waste of labour. Speaking of Bombay, the Famine Commissioners say (p. 76) :—"In every case, the best land has been taken up already," and similarly Sir J. Caird observes in his "Report on the Condition of India" :—"The available good land in India is nearly all occupied."

Bearing these facts in mind, we must now inquire, what are the possibilities of further extension of cultivation? The areas yet available for cultivation in the different Provinces are given in the latest issue of Agricultural Statistics of British India (1888-89) as under :—

Table prepared from "Statistical Abstract, 1886-7" and "Agricultural Statistics, 1888

...CE.	No. of Districts.		Districts.	Population (1881) Millions.	Cropped area 1888-9 Millions.	C... 18... o...
18·850 Millions.	32	A	Multan, Jhang, Montgomery, Shahpoor, Dera Ismail Khan, Dera Gizkha, and Muzaffargarh ... ... (7)	2·92	3·19	
rea 20·720 llion acres.			Hissar, Karnal, Kangra, Lahore, Gujranvala Kohat, Bannu ... (7)	3·9	4·7	
			for 14 districts...	6·82	7·9	
or) 24·895 n.) Do.		B	The remaining 18 Zillahs	12·03	12·8	
ices. illions. 829 ,, ac. 29 ,, ,,	37	A	Lalitpur, Jhansi, Mirzapur, Hamirpur, Banda, Cawnpur, Pilibhit, Shahajahanpur, Bijnoor, Etawah, Dehra Dun ... 11 Districts ...	7·0	5·839	
		B	The remaining 26 districts	26·9	18·99	
... ... 57 ... 74 ...		A	Kheri, Fyzabad, Rai Bareilli, Sultanpur ... ... 4 Districts ...	3·82	2·68	
		B	The remaining 8 Districts	6·38	6·17	
...ices		A	Raipur, Balaghat, Nimar, Mudla, Jalalpur, Damoh, Saugar ... (7)	3·8	5·27	
		B	The remaining 11 Districts	6·	8·61	
ding Sindh	23 A Sindh 5 Prsy. 18 B.		Sindh (5 districts), Canara, Khandesh and Panch Mahals ... 8	4 32	5·63	
			The rest of the Presidency	12·128	21·28	
... ...	22	A	Nellore, Anantpur, Bellary, Caddaph, Karnul N. Arcot, S. Arcot, Salem, Malabar 9 ...	13·	11·9	
		B	The remaining 13 Districts	17 8	11·3	

Provinces.	Cultivated land in Mill. acres.	Remarks.
Punjab	24·859	
N. W. Provinces	7·929	=60·750 million acres available, for a population of 120 millions in these Provinces (the figures for Bengal are not available). This gives nearly *half an acre per head.* The acreage includes grazing lands.
Oudh	3·374	
Central Provinces	7·295	
Bombay	8·832	
Madras	8·461	

On analysis, these figures of cultivable lands may be arranged in relation to *area, population and cropped acreage* thus :—(See adjoining table.)

The cultivable areas include grazing lands, and a deduction accordingly has to be made on account of village pasturage from the available margin. Speaking on this point, Lord Lawrence, in his evidence before the Parliamentary E. I. Finance Committee in 1873 (June 16), when questioned as to the "80 p. c. cultivation" limit laid down in Sir C. Wood's Despatch of 1862 on the subject of extending the Permanent Settlement, observes :—"in point of fact, a village cannot exist, cannot prosper, unless it has an area of uncultivated land for pasturage. What is really wanted in India is not that all the land should be broken up, but that the land which they reserve for grazing purposes, should be improved for their cattle. If they break up all land, they will have none where to feed the cattle."..."I think a margin of 20 p. c. would be a fair one to allow for village purposes for the grazing of their cattle. I think that if I were to make a settlement, and a village had no grazing lands or scarcely any, I should be disposed in fixing the assessment of the village to make a small deduction in consequence of

this circumstance. I should feel that there was more uncertainty in the means of the village to fulfil its engagement without any grazing lands than if it had some. All over the N. W. Provinces and in the Punjab, and I believe, in other provinces, it has always been recognised that the Government revenue should be put on the cultivated land and that little or nothing should be put on the waste land." Going on the basis herein indicated, and also suggested by the Punjab and Madras figures quoted on a former page, we may deduct for village pastures an area equal to ¼th of the total cropped (*i. e.* 20 p. c. of the total area) from the "cultivable" acreages. So deducting, we reach the following results :—

Table A re-arranged in two as under :—

I—District areas marked A.

Provinces	A Districts.	Population millions.	Cropped area mill. acres.	Cultivable area, in mill. acres.	Deduct 25 p. c. of the cropped for grazing area, mill. acre.	Cultivable area, net after deduction.	Per head cultivable area.
Punjab ...	14	6·82	7.9	21.90	1·98	19·92	3 nearly
N. W. Provinces ...	11	7·0	5·83	3·19	1·45	1·74	·25
Oudh ...	4	3·8	2·68	1·29	·67	·62	·16
C. Provinces.	7	3·8	5·27	4·34	1·32	3·02	1 nearly
Bombay ...	8	4·32	5·63	7·55	1·47	6·08	1·8
Madras ...	9	13·	11·90	6·22	2·97	3·25	·25
Total...	53	38·74	39·21	44·49	9·86	34·63	About less than an acre per head of the population.

Thus in these 53 Districts out of the 144 Districts in the six Provinces, a population (1881 census) of 39 millions

has a cultivable margin of 35 millions or about *one acre per head*. Turning to Districts marked B in Table A, we get the following :—

II—District areas marked B.

PROVINCE.	B Districts No.	Population in millions.	Cropped area in million acres.	Cultivable area in mill. acres.	Deduct 25 p. c. of the cropped for grazing purposes. mill. acres.	Cultivable acres (Net) after deduction.	Per head cultivable area.
Punjab.	18	12·03	12·08	2·90	3·2	—·3	0
N. W. Provinces.	26	26·90	18·99	4·73	4·74	0	0
Oudh.	8	6·38	6·17	2·07	1·54	+·53	09
Central Provinces.	11	6·	8·61	2·95	2·15	+·8	·13
Bombay.	15	12·128	21·28	1·27	5·32	—4·05	0
Madras.	13	17·8	11·3	2·24	2·82	—·58	0
Total.	91	81·24	79·15	16·16	19·79	—3·63	0

Summary of I and II.

Districts A	53	38·74	39·21	44·49	9·86	34·63	One acre per head.
,, B	91	81·24	79·15	16·16	19·79	—3·63	0
Totals for the six provinces ...	144	119·98	118·36	60·65	29·65	0	0

(The 38·74 millions of Districts under class A form 30 p. c. of the total population of 119·98 ; the 81·24 millions of Districts under form B form 70 p. c. of the total population of 119·98).

Thus on the basis of these figures, so analysed and arranged, we reach the broad conclusion that, while 30 per cent of the population of these six Provinces has a margin of cultivable waste lands, still left in the A Districts, within the limits of which it can,—other things favouring—double itself,

the remaining 70 per cent in the B Districts has not only no margin left,—but has taken for tillage more than 36 lakhs of acres from the village pasture areas,—a very serious contraction of grazing acreage in these Provinces owing to our extension of cultivation during recent years. More particularly, taking B Districts first, and going on the basis of the census of 1881, we may say, (1) that in Oudh and the Central Provinces for a population of 1,239 millions, there is only a margin of 13 *lakhs* of acres. As the population increases all over India at ·7 p. c. per annum, this margin may suffice for 18 years' increase of population in these Provinces. (2) The N. W. Provinces with a population of 33·2 millions have absolutely no margin left for further tillage. (3) Punjab, Bombay, and Madras have not only no margin left on which to fall back with an expanding population of 42 millions in these B Districts, but have appropriated for tillage purposes nearly 50 lakhs of acres from their village pastures.

Even in regard to A Districts, it has to be observed that by far the greater part of the waste land area, which is here available for further tillage, is so available only when irrigation extends, or is such as requires heavy initial outlay for its reclamation. In the Punjab, for instance, 9 million acres of good fertile soil in the Mooltan Division, 6 million acres in Derajat, 2 millions more in the plains of Hissar—altogether 17 million acres, or about 90 p. c. of the available margin, are ready for the plough if only water is brought to them. Similarly 5 million acres are so dependent in Sindh. So again, in the Central Provinces there is much good land, but it requires for preliminary clearance outlays of money, not well within the present resources of our Ryots.

In this connection, the fact noted on a preceding page is significant, *viz.*, that in these six Provinces, only 4½ millions of acres have been added to the cultivated area during the last 20 years, as per margin, which is a much smaller increase, than the estimated increase of population.

	Mill. acres.
Punjab	2·5
Madras	·9
C. Provinces	·6
Oudh	·5
	4·5

Bombay and N.W. Provinces—nil.

Bengal furnishes no returns, but the Famine Commission wrote in their Report (page 76) thus : "In some of the districts of Behar and Central Bengal, the cultivated area forms a very large proportion of the whole ; in Saran, for instance, it is believed that out of 1,698,000 acres, 1,566,000 are under the plough, and that a margin of only 65,000 culturable acres still remains. In the hilly tracts to the S. W., in the districts that lie at the foot and on the slopes of the Himalayas and the Eastern ranges, and in the jungles of Sundarbuns, there is a great extent of land, which may at some future time be brought under cultivation ; but it is feverish or poor thin land, not tempting to a settler, or else it requires considerable outlay for clearances of forest or exclusion of river or sea-water to render it fit for agriculture."

On the whole, the general conclusion on the facts noted above seems to be that, as things are, there is but little scope for further expansion of "extensive" cultivation in these Provinces, excepting parts of Punjab and Sindh and the Central Provinces, and that whatever further extensions of tillage might take place in future years would be an encroachment on pasture areas. And it would appear that if the growing population of the country is not to starve or suffer, we must be prepared to enter on the inevitable change which takes place in all countries from extensive to intensive husbandry, as population increases. There are, no doubt, the United Burmas with a magnificent waste land area of 28 million acres (lower Burma, 16·8 ; and Upper, 11·3 millions of acres). But here too the tide of Chinese and Siamese immigration has strongly set in, and the Provinces will be filled up before long. Besides, the Indian agriculturist, even when he has the will, often has not the means wherewith to emigrate to, and settle in, a new country, unless he gets exceptions, inducements and facilities from the State ; and it is clear that the possible relief so obtainable can only be, in the very nature of things, small and temporary for such a population as ours.

With all these extensions, however, our present cultivated acreage is too small for the vast and increasing population that has come to live and work on the soil, as the only occupation and means of subsistence left. It is not only inadequate for the country's annual food-supply and foreign export of agricultural produce, but it is also too small to give sufficient occupation to the swelling millions driven to the plough. So severe is the pressure of the population on the soil in this respect, owing to the absence or insignificance of non-agricultural industries and

so keen is the resultant competition for the land, that vast numbers of agricultural families have to be content with holdings barely enough either for their maintenance or occupation. The average area for such agricultural worker (representing a working agricultural family) is about 4 acres. The figures are :—

British India—"Agricultural Statistics" and "Statistical Abstracts."

Province.	Male agriculturists and Labourers (in mill.) 1881.	Cropped area in mill. acres 1888-9	Area per Agricultural family.
	Agriculturists. Labourers.		acres.
Bengal	12·840 + 2·457 = 15·297	71	per 4·7 family
Punjab	3·373 + ·285 = 3·658	20·7	5·7
N. W. Provinces..	7·760 + ·775 = 8·535	24·8	2·9
Oudh	2·827 + ·240 = 3·067	8·8	2·8
Madras	6·930 + ·543 = 7·473	23·1	3·2
Bombay	3·393 + ·328 = 3·721	26·9	7·3
Central Provinces.	2·210 + ·113 = 2·323	13·9	6·
Total...	44·46	189·2	4·3 acres.

Taking the increase of population during the last 9 years into account, the average is 4 acres per family.

This acreage of cultivation for each male agricultural worker does not fall far short of the average prevailing in the countries of Europe, as noted in the margin. But there the husbandry is high class and intensive as opposed to ours which is poor and as yet only extensive. In the U. States, however, where agriculture is still extensive as with us, the average tillage area per agricultural

Area per male agricultural worker.	
U. Kingdom	10 acres.
France ...	4·8 ,,
Germany	5·2 ,,
Russia ...	4·9 ,,
Austria ..	4·2 ,,
Italy ...	2·2 ,,
Spain ...	6·8 ,,
Europe ...	4·8 acres.

The average in the United States is 22 acres.

worker is 22 acres; ours is not even $\frac{1}{8}$th of it. In particular parts of the country, it is not even 3 acres; the N. W. Provinces Oudh, and Madras have only 3 acres for each worker.

The total tilled area for the British Provinces is 190 million acres, of which 30 million acres are irrigated, and it has been estimated by competent authorities, taking into account the present conditions and requirements of our agriculture, "that 10 to 15 acres of dry crop land—or 5 to 7 acres of wet-crop land—is not a large holding for an agricultural family to till and manage." Now taking the minimum of 10 and 5 acres for dry and wet-crop land respectively, it would seem that for our present cultivated area of 190 million acres, 16 million families will suffice to till 160 millions of dry-crop land, and 6 millions more will suffice to till 30 millions of acres of wet-crop tillage, or in all, 22 millions of agricultural families, representing a total rural population of 88 millions only, can be maintained with comfort. At present, however, we have 47·7 million families (=180 millions of the population) working over this area. Or, in other words, 92 millions of people have either no work and are living in enforced idleness. What a ruinous waste of economic energy! What a ruinous loss of wealth to the country! What a penalty imposed on the nation by reason of its loss of varied industrial activity! This is, however, a raw estimate. Sir J. Caird, an exceptionally high authority in such matters,—in his special Report to the Secretary of State on the condition of India (1879, 31st October)—is disposed to put the workless proportion of the rural population a good deal higher—at $\frac{2}{3}$rds of the total *i. e.* full 120 millions in rural India. He writes:—"the population of India is more exclusively agricultural than that of most other countries; *and the extent of land there cultivated in proportion to the population is the smallest known.* A square mile of land in England, cultivated highly, gives employment to 50 persons in the proportion of 25 men, young and old, and 25 women and boys. If 4 times the number, *i. e.* 200 were allowed for each square mile of cultivated land in India, it would take up

only $\frac{1}{3}$rd of the population". Sir James proceeds: "In no agricultural country that I know of, are so many people to be seen stalking idly about during the hours of labour as in India. The streets and court-houses and yards are always full of idlers. The roads are never empty, and the Railway stations and natives' railway carriages are crammed with people. Entering a village at any hour of the day, you are surrounded with idlers. Much of this arises from the absence of other occupations than agriculture, and in many parts of the country from the uncertain character of land tenure." Whatever the cause, the fact is startling—that 94 millions, as we estimate, or 120 millions, as Sir J. Caird thinks, are driven to live on the land and yet are forced to go from year's end to year's end with no work in connection with it, or rather that the whole agricultural population of the country—amounting to 180 millions—has to be idle for want of work for more than six months of the year. What can be more wasteful or demoralizing to the industrial *morale* of the classes concerned? The money value of the rural labour so wasted and lost to the community and to the world is something awful to contemplate. More serious still by far is the *moral* loss entailed on the community by the enforced indolence of the agricultural classes caused by the absence of non-agricultural industries to keep them elsewhere fully and profitably occupied. Indolence, when it becomes a national habit, such as it must tend to become *in* India under the present conditions of our disorganised industrial life, is hard to cure, and must in course of time weaken the moral fibre and industrial nerve of the community. The question of providing bread for the growing population of this country is no doubt a pressing and serious one at the present moment, but to our thinking, more serious and more pressing is the question of providing adequate work for our growing workers. Looking at the question from the point of view of famines and their remedies, the Famine Commission thus notice this point of want of sufficient work in rural areas:—"A main cause of the disastrous consequences of Indian famines, and one of the greatest difficulties in the way of promoting relief in an effectual shape

is to be found in the fact that the great mass of the population directly depends on agriculture, and that there is no other industry from which any considerable part of the community derives its support. The failure of the usual rain thus deprives the labouring class, as a whole, not only of the ordinary supplies of food obtainable at prices within their reach, but also of the sole employment by which they can earn the means of procuring it. The complete remedy for this condition of things will be found only in the development of industries other than agriculture, and independent of the fluctuations of the seasons. With a population so dense as that of India, these considerations are of the greatest weight, and they are rendered still more serious by the fact that the *number who have no other employment than agriculture are in large parts of the country greatly in excess of what is really required for the thorough cultivation of the land*; so far as this is the case, *the result must be that the part of the population which is in excess of the requirements of agriculture eats up the profits that would otherwise spring from the industry of the community.*" (Report, Part I, p. 34; the italics are ours).

And yet, moreover, our present cultivated area,—thus already too small for the population living on the soil, declared, indeed, by the distinguished English expert to be "in proportion to the population" "the smallest known",—and which, besides, does not now admit of much further expansion, except in isolated parts of the country,—is exposed, after centuries of irrigational effort to all the vicissitudes of the Indian seasons for the greater part of its vast extent. The character of the Indian climate is such, writes Mr. Justice Cunningham, "that failures of rainfall, involving more or less complete destruction of the crops, occur in some part of the country or other in about two out of every nine years." As regards the liability of the different Provinces to drought, the Famine Commissioners say: "In Bengal, during the 110 years over which our record extends, four droughts only have occurred, of which two were very severe. Previous to the Orissa Famine, Bengal had enjoyed complete immunity from famine for 81 years, and on this

occasion as well as in 1783-4, only the western parts of the province were affected. In the N. W. Provinces, nine droughts are recorded, of which two were intense, and three very serious. The two greatest famines in this part of the country, those of 1783 and 1837-38, were separated by an interval of 53 years, but there was a frequent and highly irregular occurrence of less important droughts. In Bombay, nine seasons of drought appear, of which two were severe. In Madras, there were eight such seasons, of which two were severe. Excluding Bengal, the average interval between the several recorded droughts, great and small, in any one province is about 11 to 12 years, and between those of the severest type, about 50 years; but the deviations from these averages are very large' (Rep. Part I, p. 25). Table II on page 11 of the Appendix to the Report, relating to mean local variations of rainfall during 16 years (1863-1878), gives the following results :—

	Annual normal average rainfall.	No. of years of rainfall below the normal average (16 years).
Carnatic	33·34	7 out of 16 years.
Deccan	30·13	7 ,,
West Coast ...	99·60	8 ,,
Punjab	21·66	9 ,,
N. W. Provinces.	34·72	7 ,,
Bengal	67·52	6 ,,

Thus in most parts of the country, almost every alternate year is one of deficient rainfall. Apart from these variations, the exposed areas, marked out by unequal distribution of rainfall, are thus given in the Material and Moral Progress Report for 1872-3, as requiring artificial protection :—"In the north-west corner of India, there is an arid region, including all Sindh and half the Punjab, where the normal annual rainfall is less than 15 inches. Here irrigation is essential to the existence of

the people. Next, there are two zones of dry country with an annual rainfall between 15 and 30 inches. One surrounds the arid zone on the north and east in a belt from 100 to 200 miles wide, and has been named by Dr. Brandis the Northern Dry Zone. It includes Delhi and Agra. The Southern Dry Zone is in the Peninsula, extending from Nasik to Cape-Comorin, longitudinally parallel to the great mountain ranges at some distance from those ranges. These dry zones also stand in absolute need of irrigation. The fourth region has a rainfall between 30 to 60 inches, and includes the upper part of the valley of the Ganges, Central India, and the east coast of the Madras Presidency. Here, irrigation is also much needed, and great distress has been caused by the want of it. The fifth region has a rainfall between 60 and 75 inches, and comprises the delta of the Mahanadi and the Ganges and the lower part of the Ganges valley. In this more favoured belt, irrigation may be looked upon as a luxury, often useful, but not absolutely necessary, except in extraordinary years. Finally, there are two belts of excessive rainfall, where irrigation is unnecessary, the one extending from the mouth of the Irrawadi along the East coast of the Bay of Bengal up the valley of the Brahmaputra and along the skirts of the Himalaya; the other along the West coast of the Peninsula from the sea-shore to the summits of the Ghauts." (page 46.)

The tracts of the country, naturally exempt from the risk of drought by reason of the abundance and certainty of their rainfall, are the East districts of Bengal and Assam, the Konkan and the Western ghauts, and the deltas of the Mahanadi, Godavari, Krishna and Caveri rivers. All over the rest of the country, artificial irrigation is not only a help to agricultural improvement, but is an indispensable and absolute necessity, as an insurance against drought. Our present cultivated area is, as given before, about 190 million acres in the six provinces, for which detailed figures are available ; of which 20 millions may, roughly speaking, be regarded as "naturally safe"—14 millions in E. Bengal and 6 millions on the West coast and elsewhere. To this "naturally safe" area, we may add the

13·8 million cropped acres of the Central Provinces, where the Famine Commissioners assure us, "the rainfall has never been known to fail." But of the remaining area of 156 million acres, irrigation is at present provided only for 26½ million (irrigated) acres, and 2·5 more (unirrigated) making, in all, 29 million acres, leaving 127 mill. acres as absolutely requiring the protection of artificial water-supply. The figures are as under :—

(In Million acres.)

Province.	Cropped area in mill. acres.	Naturally safe.	Requiring artificial irrigation.	Protected acres.			Unprotected and exposed.	Proportion to cropped area of unprotected.
				Irrigated.	Irrigable.	Total.		
Madras	23·15	3	20·15	6·23	·8	7·03	13·12	57 p. c.
Bombay including Sindh...	26·92	3	23·92	2·83	·7	3·53	20·39	75 ,,
N. W. Provinces and Oudh.....	33·69	0	33·69	8·73	0	8·73	24·96	72 ,,
Punjab	20·72	0	20·72	7·38	0	7·38	13·34	65 ,,
Bengal	71· (Estimate.)	14	57·	1·28 (Estimate.)	1·	2·28	54·72	72 ,,
Total ...	175·48	20	155·48	26·45	2·5	28·95	126·53	72 p. c.

The Central Provinces with a cropped area of 138 million acres provide irrigation for ·637 million acres or 5 p. c.

Thus we have to note the fact that the efforts made by the British and pre-British rulers have in these Provinces succeeded in bringing an artificial supply of water only to about 29 million acres out of a total of 156 millions of thirsty soil or to less than $\frac{1}{5}$th of the extent of land requiring such protection, and that irrigational facilities have yet to be provided for $\frac{4}{5}$th of the unprotected and cropped area.

The following statement furnishes details of our Irrigation resources.

Source of supply.	in the Six Provinces.		
	Government.	Private.	
(1) Canals furnish water to	11·261	·983	Million acres.
(2) Tanks ...	4·	1	
(3) Minor sources..	1·04	1·04	
(4) Wells ...	·020	9·502	
Total ...	16·50	12·525	

Even in respect of this small area at present under irrigation, we have to note with regret that the people's share of the work is less than one half. The latest figures show that private irrigation embraces only 42 p. c. of the total irrigated area in these six Provinces. Well-irrigation, which is a good test of popular self-help, represents only one-third irrigation supply, being, on the estimate of 5 acres to a well, sufficient to water about 1,900,000 acres. The figures for Madras, as given in the Administration Report for 1889, show that in that Province even less than $\frac{1}{5}$th of the total irrigated area gets its supply from private sources; they are as under :—

Irrigated area = 6·23 mill. acres.

SOURCE OF SUPPLY.	GOVT.		PRIVATE.		TOTAL.		Govt.	Private.
	Rayatwari.	Inam.	Rayatwari.	Inam.	Rayatwari.	Inam.		
Canals	2·162	·479	·018	·006	2·180	·485	2·642	·024
Tanks	1·818	·275	·026	·107	1·844	·382	2·153	·133
Other sources	·140	·028	·007	·003	·147	·031	·05	1·047
Wells	035	·015	·947	·101	·982	·116	·167	·01
Total ...	4·155	·797	·998	·217	5·153	1·014	5·013	1·218

The most serious feature of these statistics is that even this small extent of private irrigation discovers a decided tendency to a fall-off.

The following figures are for the N. W. Provinces and Oudh (drawn from the Imperial Gazetteer and Statistical Abstracts).

	1878–9	('82–3)	('88–9)	
N. W. Provinces.	7·118 ,,	5·293 ,,	4·835 ,,	
Oudh	2·957 ,,	2·957 ,,	2·476 ,,	
		8·250	7·311	

In Punjab, the irrigated acreage was $5\frac{1}{4}$ million acres in 1882 and about $4\frac{5}{7}$ millions in 1888.

The decline in Well-irrigation is still more remarkable: the figures available relate to three Provinces only :—

Province.	1877–8	1888–9	Decrease in 10 years.	
N. W. Provinces.	4·480 mill. acre	3·221	—1·259	The decrease represents the supply of about 280,000 wells falling into disrepair.
Oudh	1·340 ,,	1·247	— ·093	
Central Provinces.	·120 ,,	·070	— ·050	
	5·940 ,,	4·538	—1·402	

As a set-off, we have recorded increase of 7 *lakhs* of acres in Punjab under this class of irrigation. But still, the net fall-off is large, and in the Provinces in which it has occurred, serious too, as showing that the ryots have been unable not only to sink new wells but even to keep the old ones in working order, and have had during a brief decade to let as many as 280,000 wells fall into disrepair. And this fact, read in conjunction with the

evidence as to the Ryots' growing indebtedness all over these provinces, lends strong support to the view that their borrowings—large and increasing though they are—are for purposes other than that of agricultural improvement.

Side by side with this painful decline in popular self-help in this matter of irrigation, we observe a large extension of Government operations. The state outlay on irrigational works has increased from 6·6 millions sterling in 1866-67 to a total, up to the end of 1889-90, of 31·53 millions. The figures are:—

State capital outlay.

Up to 1866–67	£ 6,612,495	Exclusive of £1,371,666 spent by private Irrigation Companies.
1867–8 to 1876–7	£ 9,651,618	
1877–8 to 1889–90.	£ 15,270,000	
	£ 31,534,113	

The results also of this vast expenditure have been considerable, though incommensurate.

	Govt. Canal	Irrigation
Punjab.	1877-8	1·324
	1888-9	2·614
N. W. Provinces.	1860-1	·730
	1866-7	·990
	1888-9	1·604
Bombay.	1884-5	·039
	1888-9	·079

The tendency, thus, is becoming year by year strong and pronounced for the people to withdraw from, and for the State to step into and occupy, this field of industrial effort—certainly not a healthy sign of our present economic position.

The ruling idea of State action on its present lines seems to be that in this matter of irrigation, which is an absolute necessity, not simply as an aid to agricultural operations, but pre-eminently as an insurance against drought and the uncertainties of the seasons, the State, and the State alone, must and can do the work, if it is to be done at all, and done as it must be,—the people having neither the means nor the capacity for such undertakings; or as the Famine Commissioners put it, "there is no room to doubt that *it is on direct State action alone* that any reliance can be placed for the extension of irriga-

tion." The present P. W. Administration of Government is, to our thinking, such as tends—we will not say, seeks—to supersede, and in some respects to supplant, rather than assist or supplement, private effort. In this matter, no inducements are held out—rather the reverse (*e. g.* taxation of subsoil water and water advantage)—to indigenous private enterprise to take up such works—no facilities are offered in the shape of engineering advice or guaranteed loans to private individuals or local bodies; and the plan is adopted and prosecuted with almost aggressive vigour, of doing the work for the people, instead of helping or educating the people to help themselves. From wells in Madras and tanks in Bombay to minor irrigating channels and canal distributories in the Punjab, the irrigation works are State works pure and simple and under exclusive State management, and at no stage are the people to be called in. In old times, it would seem the Native rulers followed no such exclusive or aggressive policy. They contented themselves with only building the larger works like the inundation canals of the Punjab and the magnificent tanks of Madras; but even in respect of such works, their plan was to entrust their management, after they were constructed, to the people themselves working through *Panchayat* organizations. Thus in the Punjab, "the important system of inundation canals from the Punjab rivers upon which the very existence of the inhabitants of the vast area in the rainless region depends, was administered by the people themselves under Government supervision" (*vide* Material and Moral Prog. Report, 1872-73, p. 53). The British plan, in this regard, seems conceived in a different spirit, and "the whole of this class of canals within British territory" is now under the regular management of the Irrigation Department of the Province. Mr. T H. Thornton C. S. I., late Secretary to the Punjab Government, in a note on Mr. Newman's Paper on "Water Storage and Canals in India", a few years ago pointed out this undesirable aspect of the present Irrigation policy of the Government of India, and expressed his fear lest it would tend "to check local effort and self-help". He advised:—"Don't be in a hurry to extend Government canals to tracts of country irrigated by wells or other simple means, but effect your object rather by *helping the people to help themselves*, *i. e.* advancing the necessary capital on easy terms and securing them a good share of the profits of the outlay." The recent decrease of private irrigation in the Punjab (from 5·66 million acres in 1883-4 to 4·828 in 1889 = ·732 mill. acres) seems to show how very real were Mr. Thornton's fears on the point, and

lends much practical value to his advice. The E. I. Public Works Committee of the House of Commons, in their Report of July 1879, adverting to this feature of the Government Irrigation policy as at present pursued, in relation to Madras, observed :— "A strong consensus of opinion has been expressed by those best acquainted with Southern India that more might be done in assisting by advances or otherwise the inhabitants to extend and make themselves tanks and depositories of water", and they even recommended that "a certain portion" of the Famine Insurance Fund should be utilized in promoting in this way "small irrigation works in Southern India" (*vide* p. xv, Report P. W. Com. 1879). This "Famine Insurance Fund" has now been in existence in India for more than 12 years, and Sir J. Gorst might well be asked how far this recommendation of the Parliamentary Committee has been given effect to.

But this entire dissociation of the people from the construction and administration of such works undertaken in their behalf is only one broad feature of the Government P. W. policy in this branch of irrigation. There are other aspects of it also as remarkable, to which attention might well be called here.

(I) A cardinal mistake of plan—*Canals* are one particular class of irrigation works on which almost the whole strength and resources of the Irrigation Department seem concentrated, regardless of the fact that the irrigational requirements of the different Provinces are widely different according to differences of climate and geographical configuration. If canals are good for the Punjab, tanks and storage reservoirs are required for Madras. The E. I. P. Works Parliamentary Committee comment on this point in these words : "The impression seems well founded that since the establishment of the system of 'Public Works Extraordinary', too much attention and money have been concentrated on the prosecution of those great engineering works, which, though more likely to enhance the reputation of those who carry them out, are less beneficial, in proportion to their cost, than the humbler undertakings of the old village communities" (page XV). "There are millions of acres in India," writes Mr. Justice Cunningham, "beyond the reach of canal irrigation, and exposed to constant risk of drought, which might be exempted from this terrible risk, and rendered infinitely more productive if they were adequately supplied with wells." There is as yet however little sign, as far as we see, of a change of plan in this respect.

As a consequence of this central mistake of plan, we have to note on the one hand the vigorous pushing on in particular localities of costly canal works unsuited to their requirements, and on the other, disregard in other parts of the country of their urgent needs. While thus there lie pigeon-holed in the Bombay Secretariat projects of important schemes for Gujarat, planned years ago, we have the *Sone* canals in Bengal pushed on with reckless energy in South Behar—canals fed by a failing river, and in a tract where a serious failure of rain has never been known, and where besides the people are building for themselves the small storage-works—the *pynes and arhars* they require—a system of canals, declared by expert critics to be a mistake "in its conception, in its construction and in its working," and which has upto date cost nearly 280 *lakhs* of rupees, and irrigates only 3½ lakhs of acres. Similarly, we have the *Karnul* canal in Madras, unsuited to local wants, which has cost upto the end of 1889 Rs. 2,16,42,645, and irrigates only "34,999 acres" (*vide* Government of India's Resolution, 1st March 1890). To the same cause, again, we attribute the culpable neglect of the old tanks in the Madras Presidency. "The number of such tanks is according to this Resolution probably not less than 50,000." General Sir G. Balfour puts it "at 75,000, including storage reservoirs;" the revenue dependent on them is about a crore and a half, and yet the Famine Commissioners in 1879 found that many of these works "have fallen out of order for want of proper supervision and timely repair." (Rep. page 163). The Commissioners strongly condemned this neglect of the important works, and urged their early repair and restoration. Accordingly, 3 years later, the Madras Government started what it called a "Tank Restoration Scheme," but up to 1889 no advance was made beyond the preliminary stage of investigation and plans and estimates, —the investigation besides being conducted in so costly a fashion that according to Government of India's Resolution, "it has cost (during the past year) Rs. 7,86,404 to prepare estimates to the aggregate amount of Rs. 20,22,84[illegible]," *i. e.* 39 p. c. of the estimate. So, also, in the Central Provinces, many of the old native irrigational *Jhils* (=lakes) and tanks have completely fallen out of repair, and nothing is yet attempted to save the remaining "by removing their silt and repairing their banks." Similarly old tanks in several Bombay zillahs are becoming useless through neglect (*e. g.* in Dharwar).

But, besides, we find, that the canals on which Government is spending all its force are not in various parts of the

country quite the blessing they are said to be; and on this point, we would refer our readers to Mr. T. H. Thornton's paper on "Some evils of Canal Irrigation in India." There is (1) the evil of "*reh* efflorescence" *i. e.* "the bringing up to the surface" salts known as "*reh*" prevalent particularly in the clay soils in Northern India and in the black cotton soils in the Deccan and "the poisoning of the surface soil, and rendering the cultivation of all but a few crops impossible." According to General Brownlow, R. E, late Inspector-General of Irrigation N. W. Provinces, about 3 p. c. of the irrigation area or 60,000 acres are affected with *reh* in that Province. Speaking of the Punjab, the Hon'ble Colonel Wace says: "the evil (*i. e. reh* efflorescence) is most wide-spread in the land irrigated by the Western Jumna Canal, where some 3,000 acres of once fertile soil have passed into swamp, and become defertilized by *reh*." In Bombay, too, the same evil is manifesting itself. The Officiating Director of Agriculture, Bombay, in his Report for 1888-9 mentions a field in the Bhimthadi Taluka of the Poona District, rendered totally unproductive on account of salt efflorescence produced by percolation from the Canal; and adds, "the deposits of salt in the lower layers of the black cotton soils in the Deccan and S. M. Country are very large, and the frequent result of irrigation is a raising to the surface soil of salt, either common salt or other soda salts, in quantities which seriously diminish the fertility" (page 87). (2) There is next the evil of "water-logging and swamping of the soil in localities where subsoil water is near the surface," producing insanitary conditions calculated to extend and intensify malaria, to the serious detriment of the health and physique of the people of canal-irrigated districts. In the Districts of Delhi and Karnul, the mortality from malarial fever is always high, and speaking of similar tracts in the N. W. P., Dr. Sweeny, Deputy Sanitary Commissioner, says: "A more fertile or thoroughly utilized land it would be hard to find, but the people are not blessed with health. Go where you will, men may be seen young and in the prime of life, sad of face, slow of step, with spleen enlargement filling all the front of the abdomen." (3) There is further the evil of extensive impoverishment of soil and deterioration of produce in the case of lands irrigated by canals deriving their supply from the Himalaya source. "In these irrigation canals" says Sir J. Caird, ("India the land and its people" p. 206) "which are fed from the melted snows of the Himalayas, the water comes down at a temperature much below that of the land to

which it is applied, and carrying with it a deposit which is barren sand. The effect of this pure cold water on vegetation is only permanently useful when the land is sufficiently manured, and becomes extremely hurtful when lavishly applied to unmanured land." Our Ryots cannot afford to put in their lands the needed manure. There are other minor evils, too, but they may be passed over. "None of these evils can arise from Well-irrigation." And yet in the face of all these evils, "the State outlay on canals is steadily increasing, while little or nothing is being done to promote the extension of wells and river-fed or deep tanks" by offering advances to the cultivators or otherwise, as the Parliamentary P. W. Committee of 1879 recommended—a recommendation which Sir J. Caird, writing a few days later, so warmly endorsed in his "Report on the condition of India" (pages 10-11).

(II) Besides such faults of plan, there is observable a growing tendency to extravagant or wasteful expenditure in this branch of the P. W. Administration in this country. In 1875-76 the total capital cut-lay on Irrigation works was £ 15,562,655 and the working expenses amounted to £ 396,750 or about 2·5 p. c.; in 1888-89, the capital expenditure up-to-date amounted to 31·53 crores or twice the total of 1875-76 and the working or maintenance charges stood at 1·06 crores or a little less than 3 times the figure for that year—a fact which suggests the necessity for a stricter control over this branch of public expenditure.

(III.) But, thirdly, we find an increasingly less commensurate return for the growing outlay on this class of works as measured by irrigated areas; a few figures will suffice.

		Capital outlay in crores of rupees.	Irrigated area mill. acres.	Capital outlay, per acre.
Punjab	1877–8	2·260	1·324.	17 rupees
	1888–9	6·086 „	2·614	27 „
N. W. Provinces.	1867–8	2·58 „	1·432	18 „
	1878–9	4·46 „	1·735	26 „
	1888–9	7·99 „	1·604	50 nearly
Bengal	1877–8	4·54 „	·400	113 „
	1888–9	7·7 „	·584	132 „
Madras	1882–3	3·721 „	2·039	18·6 „
	1888–9	6·648 „	2·398	28 „

Thus in these four Provinces 15⅓ crores have been laid out as additional expenditure on these works—Punjab spending 382 lakhs since 1877, the N. W. Provinces 540 lakhs since 1867-78,

Bengal 316 lakhs since 1877-78 and Madras nearly 3 crores since 1882-83, and yet we have had only 19 lakhs of acres added to the irrigated area or *one acre per 75 rupees of capital outlay*. In Bombay alone, there is some improvement, the irrigated area having risen from 34,000 to 79,000 acres, since 1883-84 for an outlay of over a crore. In the N. W. Provinces, we note a steady fall-off in the irrigated area in recent years. Side by side with an increasing capital outlay on canals, the figures are as under:—

	Irrigated acres in millions.
1878–79	1·735
1880–81	1·732
1881–82	1·915
1882–83	1·973
1883–84	1·297
1884–85	1·617
1885–86	1·709
1886–87	1·363
1887–88	1·517
1888–89	1·604

Thus the irrigated area in 1888-89 is less by half a million of acres than that in 1883–84.

It is worth nothing, besides, in this connection that in parts of the country, the supply of canal water is available, but still remains unutilized. In Bombay, for instance, the irrigable area is officially stated at 456,831 acres, and yet the irrigated is only 79,000—not even $\frac{1}{5}$th. And as one cause of this, the Director of Agriculture, Bombay, assigns "want of capital"—the Ryots having no means wherewith to prepare their lands for irrigated crops, which require a different style of cultivation and a larger outlay than unirrigated. Thus the kind paternal Government brings water to the Ryots' fields, but he is too poor to take it!—a fact than which no stronger condemnation is needed of the benumbing influence of State action as followed at present in this country.

(IV) Again, the management of Government Irrigation works has also much to answer for their comparative ill-success. The works seem to be more and more administered as a source of revenue than as a help to agricultural industry. The water

rates in many places in Bombay and Madras (*e. g.* in the Karnul canals) are fixed at a point beyond which, if raised, they would cause a loss to the Treasury; in other places, they are even prohibitive. The Famine Commissioners (p. 162 Rep.) remarked; "it was obviously unwise that the Karnul canal, which has still its customers to find, should charge Rs. 6 per acre, when for the supply from the Krishna and Godawari canals, where irrigation is popular and well established, the charge is only Rs. 4". The rate on this canal has since been reduced to Rs. 2–2 per acre; and yet the irrigated area does not extend. The people of Karnul, as Mr. Benson has recently told us in his report on the District, earn 9 or 10 rupees per head per annum!

(V) The Government administration, moreover, is in large measure not sympathetic. It seldom consults the wishes of the people concerned, nor does it respond to their wants. Only lately the people of Nellore in the Madras Presidency thought it proper to draw Lord Connemara's attention to this feature of the Local irrigation administration, and they put in a claim to be consulted as to the repairs and improvements to be made to supply channels. Some time ago, the people of Khandesh asked for a small money grant-in-aid to put their local irrigating water courses in order, but the Bombay Government thought it right to refuse the grant.

From this brief review, it is clear (1) that the Government Irrigation policy,—which has already expended 31½ crores and must require increased grants of public money if persisted in in its present direction, and has further cost us some 10 crores in interest charges on borrowed loans,—has but a poor record of net results to show, and it is clear that, as long as it follows its present lines, Government has undertaken a task to which it can never hope to be equal, unless with the co-operation of the people. In spite of this huge expenditure, 127 million acres of the total cropped area (or 72 p. c.) are thirsty for irrigation water. Private indigenous effort shows all over the country unmistakeable signs, under present conditions, of decline and decadence, except in isolated parts of Bengal and Punjab, but even here, it is receding, as Mr. Thornton predicted, before the aggressive and conflicting action of the State. Such a condition of things, which brings State action and popular effect into a collision, in a matter of such vital importance affecting the well-being of 200,000,000 people can under no aspect be regarded as satisfactory. A change, a

radical change, in this irrigational "plan of campaign" against the monstrous evil of drought and famine, is absolutely necessary,—a change, we mean, in the direction of establishing relations of sympathy and healthy co-operation between the State and the people in place of the ruinous antagonism between the two agencies; and unless there is such a change, the country would have to wait years and years, before it could get the needed irrigation supply for its 127 millions of unirrigated and unprotected cropped areas. Much lies, of course, in the power of the State to do towards this end. Advances to the Ryots on easy terms for the construction of wells and water-courses in parts where, as in the Deccan, the rain-fall is scanty; guaranteed irrigation loans in others, as in the N. W. Provinces, Punjab, and Madras, to individual and local bodies for the building of minor canal distributories, wells, storage works, tanks and tank-repairs; but above all, in all parts of the country, free association of the people in the management of local irrigation works,—these are some of the ways in which, in our humble opinion, Government can do a great deal to enlist popular sympathy and call out popular self-effort. Much also has to be done by the people themselves. In this respect, we submit, the superior land holders all over the country have a very important and responsible duty to perform; the Zemindars of Bengal, the Talukdars of Oudh, and the N. W. Provinces, the Malgujars of the Central Provinces, the Khots of the Konkan—have to realize that property has its duties as well as its rights; they have, besides, a vital interest in the improvement of their properties. They are thus bound in duty no less than in interest to provide, as far as they can, irrigational facilities for their tenantry, and otherwise assist the action of the State Irrigation Department. By some such mutual efforts on either side, we are confident a happy concord can be brought about between the State and the people and with the happiest results. But of this more later on. Here we have only to emphasize the fact that the Indian Ryots have 72 p. c. of their lands still exposed to all the capricious fluctuations of the Indian seasons.

We hope thus to have shown that the limit of expansive cultivation has been in most Provinces reached, and over large areas in the older parts, seriously over-stepped; and even where there is still a margin available, all the best land is already under the plough, and what remains is only the poorest, or such land as requires for its reclamation an initial expenditure of capital—such as the people with their present resources cannot afford. The cultivated area, though thus expanded, is yet too

small for the vast number driven to it as their only available means of scanty subsistence; moreover, even of this cultivated area, so limited, no less than 72 p. c. is unirrigated, and is absolutely dependent for tillage and crop-yield on the annual rain-fall of a tropical country, subject to cyclic variations of an enormous and uncertain range, so that in parts of the country, like Madras and Bombay Deccan, bad seasons follow good in almost alternate succession, and not only sweep off the cultivator's savings, but even narrow what may be called his "subsistence fund." But what adds most seriously to the difficulty of the economic situation in this respect is that our agriculture, even under such circumstances, shows as yet but little sign of passing from the *extensive* to the *intensive* phase—a change without which an increasing food-supply to support an increasing population and increasing foreign exports in part payment of our growing foreign liabilities, cannot be regarded as in any sense assured. The style of cultivation followed all over the country is of the rudest and most exhausting character; of scientific agriculture and its methods, the Indian Ryot is profoundly ignorant, and even in the pursuit of his primitive and unscientific husbandry, he has not the requisite means where-with to make the best of his position; he is resourceless and overwhelmed with debt. Above all, such are the existing conditions of tenure in this country, under which land is held and taxed, that he has no effective motive to improve. The landholder, whether Zemindar or Ryot, stands where and as he has stood for decades past—apathetic and indifferent in regard to the land he holds or tills,—the Zemindar proprietor in Northern India, because of the limitations imposed by recent legislation upon his proprietary rights and upon his exercise of proprietary powers—and the subordinate holder by reason of incomplete security of tenures,—and the peasant proprietor in Southern and Western India, because of the exactions of the State, which are often so heavy as virtually to destroy his sense of proprietary right. The intending land-impover is virtually denied a legislative guarantee as to the full fruit of his improvements; the non-taxation of such improvements, except where cultivation has reached a certain limit and a certain standard, being left by the latest legislation on the subject to the discretion of the Executive Government. Under these circumstances, what wonder if agricultural improvement all over the country is at a stand-still! As Sir J. Caird has forcibly put it (in his Report on India, page 8), "an exhausting agriculture and an increasing population must come to a dead-lock." Already over extensive

areas, as in Bengal, where, according to Sir W. Hunter, we have a "population of 24 millions struggling to live on 15 million acres or a little over half an acre a piece," the stage of dead-lock is passed, the people submitting more and more in the stress and exhaustion of their despairing struggle to a gradual fall-off in their standard of life; and we are face to face with what may be without exaggeration characterized as an acute phase of the agrarian problem in India.

This alarming position of things in regard to the nation's only remaining industry and means of subsistence is fully recognised in responsible quarters, and in explanation of this prevailing agricultural depression we are often referred to the Ryot's indifference to agricultural improvements, an indifference induced by his ignorance, his want of thrift, his consequent resourcelessness and indebtedness, his prejudices, and his conservative aversion to change. It appears to us to be mainly ascribable to the *absence of effective motive to improvement* under present conditions. The motive of self-interest is wanting, and he cannot be expected, any more than his compeer in Western Europe, to work and improve his acres, when the full fruit of his work and improvement is far from assured to him. Self-interest is the one effective motor force which leads to self-improvement all over the world and even in this "land of the lotus"—indoctrinated though it be with altruistic Vedantism,—the law of human nature and human work cannot be otherwise. "Give a man the secure possession of a black rock, and he will turn it into a garden"—is as true of India as of France or Norway; and we can conceive of no more efficacious correction of the Ryots' present indifference to his own interests than such "secure possession" of the acres he tills, and assurance of the full fruits of his toils.

The absence of *effective motive to improvement*, in the case of the Indian Ryot, we believe, has its roots deep down in the economic effects of the increasing pressure of the competitive struggle for the possession of land,—a pressure increasing with an expanding population on the one hand, and with the collapse of non-agricultural industries on the other. These economic causes are at work all the country over to discourage and check agricultural improvement, and they are aided in their operations to a most disastrous extent partly by the weakening of the moral stimulus of self-interest under the incomplete security of the prevailing land tenures, and partly by the pressure and variability of the State or Zemindar's demands on the land. This question about the absence of *effective* motive to improve

is one of vital interest, and goes to the very root of the agrarian problem in India, and we propose to consider it in some-what fuller detail under three heads :—

(*a*) The evil of a growing division—and sub-division of land under competitive pressure ;

(*b*) The evil of unfair distribution—partly due to historic and partly to economic causes—through a long chain, of landed rights—proprietary and tenant—such as to weaken, at every link of the chain, personal proprietary interest in and responsibility for agricultural improvement, &c.

(*c*) The evil of the aggressive policy adopted by the Government, which has led it to assert, under such economic conditions of division of land and distribution of landed rights, the communistic theory of State land-lordism in a sense which it has never possessed in actual practice in India or in Europe, and, in the practical application of that theory, to regulate periodical revisions of land assessments in all parts of the country.

The result of these three causes, concurrently operative has been a general dislocation of the forces engaged in the mechanism, producing, in the words of the late Sir Louis Mallet, "a marked absence of any adequate accumulation of capital upon the soil, and (as a consequence) of any sufficien appropriation of such capital to purposes of agricultural improvement. deficiency of stocks, of manures, of roads. of tanks-often of seeds and of implements," and "in the people, prevalent habits, among the higher classes, of prodigality and indolence, and among the lower, a character of helpless dependence on Government, extreme poverty, and generally very low conditions of existence. No where do we see a spirit of enterprise, of initiation, of progress."

Of these three evils, the economic one of subdivision of land is at work in a more or less intensified form in all the provinces ; the other two, *viz.* unfair distribution and aggressive State action in reference to land—exist in different degree in the different provinces. In Bengal and part of the N. W. Provinces and Madras, for instance, under the permanent settlement, the deterrent action of the State, as universal Proprietor of the soil, has little scope except in so far as it seeks to recoup the loss of revenue involved in the arrangement by the imposition of cesses on landed property ; here the historical and

economic distribution of landed rights as determined by recent law, with its resultant conflict of proprietary privileges and tenant rights, offers the strongest bar to agricultural improvement. In the Central Provinces, part of Oudh, the N. W. Provinces and the Punjab, where there is the dual ownership of the soil, the evils of unfair distribution of land and aggressive State action are in active operation to hinder agricultural progress; while in Bombay and Madras, it is the Land Revenue Administration that is mainly responsible for the agricultural dead-lock.

(*a*) First as to *division of land*:—The division is already extreme, and is still proceeding. Estates and holdings are divided and subdivided, leased and subleased, often as many as twice, thrice, even four times over, under stress of competitive pressure, aided by the law of partition and the extensive practice of sub-letting. Dividing the total area into the *proprietary* (Zemindari) and *tenant* (including Rayatwari) blocks, we find that a part of the former only is held under the law of primogeniture, the rest being governed by that of equal partition. The following figures furnish details for four Provinces.

	Under Primogeniture.	Under ordinary law.
Madras	14·9 mill. acres	1·29
N. W. P.	1·65 ,, ,,	4·15
Oudh	8·0 ,, ,,	1·72
Central P.	·29 ,, ,,	·43
	24·9 +	7·58 = (32·5)

In Bengal and Bombay, the governing law regarding proprietary lands is that of equal partition. In Bengal the multiplication of estates under the operation of the law is fast proceeding. "Within the last 20 years," writes Mr. Cotton in his Report (82-3), "the number of estates on the roll in the Patna Division has nearly doubled, while in the single district of Tirhat it has more than trebled. Behar is becoming emphatically a province of petty landholders." Similarly, the tenant area throughout the country is held under ordinary law. In the Madras Presidency, "there were formerly certain regulations checking the splitting up of blocks or fields marked off by the Paimash or Survey Department; but these were abolished in 1875, and there is now no limit to the smallness of a holding for which a Government patta will be issued." "The Survey number" in Bombay marks the limit of sub-

division in case of sale or transfer by inheritance, further partition is allowed to the extent of recognising aliquot shares." There are no provisions of any kind restraining such partition in the other Provinces.

To aggravate this evil of partitions, there is the mosd extensive practice of subletting all over the country, aut a most minute sub-division of land results in consequence. The Ryot was in former days for the most part the actual tiller of the soil; but "as population increased," writes Sir W. Hunter, "under British rule, the value of land rose, and the peasant proprietor has in many cases been able to sublet his holding to poorer cultivators, and to live in whole or in part on the rent." The number of such sub-lease holders, holding of the Ryots, is believed to be no less than a million (*vide* the Hon'ble Mr. Rmade's Revenue Manual). In the Tenancy Acts passed in recent years in Northern India, restrictive provisions are inserted to check this evil, and to narrow the area of sub-leases, but competent observers doubt their efficacy. Sir J. Caird strongly recommended such restrictions, but on this point the Government of India in their Reply-Despatch to the Secretary of State (June 1880), referring to this evil as one of the great difficulties which threaten the well-being of the landed classes in future, justly observe:—"It is possible for the Government to declare that it will not recognise or record any sub-division of a land tenure below a certain minimum area; but it does not appear to us that such a course will have any material effect in checking sub-divisions. If a man who owns only the minimum area dies, leaving three sons, the fact that Government will only record the eldest son as the possessor, will not prevent the others from remaining on this land as his co-sharers, and will not drive them forth to seek employment elsewhere. As a matter of fact, what Mr. Caird suggests is now the the actual practice in Bombay, and the result is that a great class of unrecorded partners and sub-tenants is growing up in that Presidency, to an extent which threatens to be a serious evil in the future, though at present the population is so thin that the practice is not found to work injuriously." (Sir J. Caird's Report on the Condition of India and Correspondence, page 33). This growing excessive sub-division of land is productive of three distinct economic effects:—(1st) that there is a steadily diminishing area of cultivation available to the agricultural worker. Already the average acreage per worker is a little over 4 acres, and is still narrowing more and more

till he scarcely has enough land on which to work and maintain himself and his family. Sir J. B. Peile writes in his Note "on the Economic Condition of British India":—"Excessive sub-division, leading to the multiplication of minute holdings, is another cause of poverty. While the average number of an Indian family is somewhat over 5, and the number of persons in an agricultural household is very frequently more, the average area of tenant-holdings is in the Punjab about 6 acres, in the N. W. Provinces under 5 acres, in Oudh 3 acres and in Bengal probably about the same." In the Central Provinces alone the state of things is somewhat better, the holdings averaging 14 to 16 acres. A few Provincial figures are as follows:—

Punjab	540,000	tenants holding on an average	6·5 acres.
	1,100,000	,,	,, 5·9 ,,
Bombay	550,000	,,	under 5 ,,
Madras	5,260,000	,,	,, 4·1 ,,
N. W. P.	1,200,000	,,	,, 4·
Oudh	1,800,000	,,	,, 3·1
Bengal	6,200,000	,,	3 acres to 2 acres.

Thus we have here a system of *petit culture* so extreme that the industry conducted on such a basis, unless there be, as in France, to the worker the strongest moral incentive to self-help and exertion, must tend to deteriorate and lead to his degradation (2nd). That there is a diminishing income, with a diminishing acreage, to the agricultural worker, due moreover to the "law of diminishing returns" and to his exhausting method of cultivation. Rents and assessments are alike forced up under competitive pressure, and what remains to him in the majority of cases is little more than a bare subsistence. "When the sub-division of land," write the Famine Commissioners, (Rep. p. 118) "among tenants at will is extreme, and where agriculture is almost the only possible employment for large classes of the people, the competition is so keen that rents can be forced up to a ruinous height, and men will crowd out each other till the space left to each is barely sufficient to support a family"; or as the Hon'ble W. Quinton put it in his speech on the Oudh Rent Bill, "a tenant in an agricultural community, such as we have to deal with, will agree to any demand which does not involve starvation, sooner than part with what affords the only means

of subsistence for himself and his family." (3) There is due to this sub-division of land a growing multiplicity of intermediary landed rights—a lengthening chain of superior interests—in the land above those of the actual cultivator of the soil. Already all over the country, as the Famine Commission point out, "a considerable class of subordinate tenants is growing, who have no permanent interest in the land, and who pay such high rents that they must always be in a state of poverty." (Rep. p. 123.)

But this evil of diminishing—almost vanishing—interest in the land on the part of the actual tillers of the soil has its prime source in the complicated distribution of landed property in the greater part of India, and the complex system of tenures which prevails, inducing a general insecurity and confusion of rights and leading to a conflict of interests between landlord and tenant. The broad features of the position are that while in Bombay and ¾ Madras, the occupant of the soil holds direct of the State, all over Upper and Central India there is an intermediary land-lord or proprietary community between him and the State. In Bengal, the State demand on the land is fixed for all time; in the rest of India—excluding a few Zemindari tracts—it is liable to periodical revision. The leading Provincial facts may be arranged as under:—

Bengal.

No.		No.	
Zemindars 130,000	Ryots paying		
Intermediary Zemindars. } 750,000	,, over Rs.	100	25,000
	,, between ,,	50 & 100	1·0,000
	,, ,, ,,	20 & 50	680,000
880,000	,, ,, ,,	5 & 20	2 80 ,000
	Under ,,	5	6,200,0 0
(holding about 90 p. c. of the total area and enjoying a total rental of 13 crores.)			9,825,000

Remarks:—Most of the tenants are practically little better than tenants at will. Under the Tenancy Act of 1885, the occupancy tenant (the highest privileged class) has his rent fixed for 15 years under contract, or by order of Court, which is not liable to enhancement except on certain specified grounds and within a definite statutory limit, at the expiration of the term. Occupancy right accrues from 12 years' continuous possession of the same land. The non-occupancy tenant is secured in his

possession of land for the term of his initial lease at a contractual rate of rent. with the prospect of acquiring occupancy right at the option of the land-lord; the under-tenant has no protection; the sub lease holders alone get 9 years leases.

		Gross area.
Oudh.	Talookdari estates	8·86 million acres.
	Zemindari	1·06 ,,
	Village communities	4·50 ,,
	Other leases	·25 ,,

Number of tenants.

The Talookdars	346		
,, Zemindari Proprietors	180,000	Occupancy Tenants 8,117	
		Tenants at will 1,800,000	
Proprietors	180,346	Tenants—1,808,117	

Remarks:—Under the Oudh Rent Act of 1886, the occupancy tenants (holding for 30 years and more) have their rents fixed for 5 years, not to be enhanced except by order of court after that term, and to be lower by 12½ p. c. than the other prevailing rates. In the case of other tenants, the rents are regulated by custom or contract, but when once enhanced, they are not to be re-enhanced till after 7 years, and that too within the limits prescribed by the local Government. The sub-leases hold for 8 years.

The Central Provinces. gross area

Large and small Zemindari and in Malgujari	38·52 mill. acres	or 90 p.c.
Other tenures	4·42 ,, ,,	10 ,,

The cultivating tenancies under Act IX of 1883.

	No.
Intermediate holders.	4,093
Occupancy holdings at fixed rates	185,125
Other occupancy tenancies	279,881
Tenants at will ...	471,933
	941,032

Remarks:—Under the Act of 1883, absolute *occupancy tenants* have their rents fixed by settlement officers for terms of settlement, not liable to ejectment on any ground: other occupancy tenants (those with 12 years' continuous possession) have their rents fixed by settlement officers for terms of

settlement in Chanda, Nimar and Sambhalpore. In other districts, the rents are settled by contract or fixed by the settlement officer, and continue unchanged for 10 years; ordinary tenants have to pay rents fixed by contract or by order of a settlement officer for 7 years, and they have the choice to become occupancy tenants by paying 2½ times the rent; the subtenants have no protection.

The N. W. Provinces.

Large Zemindars hold ...	...	3·4 p.c. of the total area.
Zemindari village communities	...	92 ,, ,,
Other tenures	...	4·6 ,, ,,

The village proprietors themselves cultivate about 24 p. c. of the total area, leasing the rest to tenants:—

Privileged tenants, a small number, hold about 1 p. c. of the area in permanently settled parts.

Occupancy tenants	1,500,000	held	36·5 p. c.
Tenants at will	1,200,000	,,	38·5 ,,
	2,700,000		76 p. c.

Remarks:—Under the N. W. Provinces Rent Act XII of 1881, the privileged tenants at fixed rates are entitled to a permanent occupancy, and are protected from enhancement on any account; the occupancy tenants (including ex-proprietors) who have 17 years' continuous possession, hold at rates agreed upon or fixed by a Settlement Officer for a term of 10 years, enhancement thereafter being allowed on certain specified grounds; the tenants at will hold on terms agreed to.

Punjab.

Large Zamindars hold	8 p. c. of the total area.
Village proprietary bodies—Pattidâri and Bhâichâri	90 p. c.
Other tenures	... 2 ,,

The village proprietary peasants numbering 2,980,000 and cultivating their own lands hold 14·5 million acres; and under them and the zemindars there are :—

Occupancy tenants	... 5,40,000
Tenants at will ...	...1,100,000

Remarks :—Under the Punjab Tenancy Act of 1887, a right of occupancy does not accrue by mere lapse of time, such tenants alone as have been in long possession, and are registered as occupancy tenants, hold as occupancy tenants and pay at rate of rent fixed by contract or by order of a Settlement Officer for 5 years, and thereafter these rates are liable to be raised on specified grounds and within definite limits; tenants at will have no special protection under the Act.

In all these provinces excepting Bengal, we have periodical settlements of the Government demands, and the re-enhancement of Government revenues, even during currency of a lease or occupancy, is in all these Tenancy Acts duly provided for. Limits to rent enhancements by intermediary landlords or proprietary bodies are imposed, partly statutory, and partly discretional with the Executive Government, but there is no such limit to the State assessments. Special grounds for such enhancement are specified to check oppression and arbitrary procedure on the part of the landlords; and to restrain ejectment proceedings for forcing up rents or shifting tenants so as to stop accrual of occupancy right, compensation for disturbance on ejectment finds a place in those Acts. Further, tenants of all classes are protected from the operation of their own private contracts entered into under competitive pressure or economic necessity, which are injurious to their own interests, or opposed to public policy, and ample facilities are provided for the expansion of the *occupancy rights* area. On the whole, these Tenancy Acts of recent years are a most "honest and earnest" endeavour to rectify the errors and evils of the past, but even as such, they are far from giving adequate protection to tenant rights and leave a vast deal yet to be accomplished before the land tenure system of these Provinces

is placed on a sound economic basis. As it is, the position synoptically stands as under:—

Provinces.	No. of tenants.	Periods for which rents of occupancy tenants are fixed.	
The Central Provinces	941,232	In some parts	20 years
Bengal	9,825,000	In others	10 „
N.-W. Provinces.	2,700,000		15 „
Oudh	1,808,117		10 „
Punjab	1,640,000		5 „
			5 „
Total...	16,914,349		

Occupancy tenants are yet a small body in all these Provinces and the number is only slowly increasing under recent legislation.

Of these 16,914, 349 tenants in these Provinces (representing a population of about 80 millions), only a few are privileged tenants enjoying occupancy rights; the vast majority are yet more or less tenants at will, insecure in the occupancy of the soil, and holding on terms dictated by their superior land-lords, to which they have to submit under economic pressure or starve; and even in the case of the privileged class, security of tenure at fixed rates of rent does not extend (except in Nimar, Sambhalpore, &c. in the Central Provinces) beyond 15 years in Bengal and 5 in Oudh and Punjab; the tenure of the unprotected classes of tenants is of course much less secure, and millions till their little patches of land on little better than yearly or bi-annual leases. So far therefore, as this vast tenant population is concerned, we see a very near approach to the Cottier system of Ireland and its moral paralysis.

In these provinces as in Ireland, the situation is further complicated by the fact that the relations between the landlords and their tenants are "becoming yearly more and more hostile." The reason for this hostility is, in the words of the Famine Commission, "that an opposition of interest has been created between the two classes,"—created during the first years of the British conquest under faulty arrangements regarding land revenue, and deepened and widened since by legislation (F. C. Rep. p. 117). The conflict, once begun with

the violent rupture of old ties, still continues, and with growing intensity,—the land-lords stretching their full legal power on the one side, the tenants resisting such pressure as far and as long as they can, on the other. It rages more fiercely in Bengal and Oudh than in the Punjab or the Central Provinces, and a few remarks as to its origin and present phase Province by Province will not be deemend out of place.

Bengal—Under the Permanent Settlement, the first Zemindars were all "powerful men"—officials, chiefs or representatives of old ruling families, bound to their tenantry by long established ties of good will and amity; but under the strain of the heavy assessments, they compeletely broke down. There was "a general default in the payment of the Government dues" and extensive sales of their estates for arrears of revenue followed under the rigid system of the time. Most of these Zemindar families were completely ruined. A host of smaller Zemindars shared the same fate, and within 10 years of the Permanent Settlement, there was "a complete revolution" in the constitution and ownership of the Zemindari estates; and as it was an incident of the tenure of the time that a public sale by auction for revenue arrears obliterated all subordinate leases, this "revolution" affected also the entire body of subordinate holders. The auction sale brought in a new race of Zemindars with a considerably changed *personnel* of under-tenure holders; the old relations ceased, and the new auction purchasers entered upon their estates as speculators with a *tabula rasa* to work on. Government was on their side, and with a view to secure the prompt payment of the State demand, passed Regulation after Regulation to strengthen their hold on their tenantry. For full 60 years (1799–1859), they were thus helped and allowed a free hand in shaping their relations with their tenants; the tenants for a time held their own, but as economic conditions became more and more unfavourable, they had in the end to yield. At last Act X of 1859 was passed for their relief; but from various defects in its provisions, it utterly failed to accomplish its intended purpose, and the Ryots were still as ever at the mercy of the Zemindars, who were able to raise their rental from 3 to 18 crores during 90 years. The Tenancy Act of 1885 was the first "earnest and honest" effort to give the tenants the relief and protection—for full 90 years their due. The Act was intended, according to the Hon. Mr. Ilbert, "to give reasonable security to the tenant in the occupation and enjoyment of his land, and to give reasonable facilities to the landlord for the settlement and recovery of his

rent," and to terminate the ruinous conflict between the two classes, "doing justice," in the words of Lord Dufferin, "to each of the interests concerned, and regulating their relations in such a manner as to secure the rights of the one and respect those of the other." The Act is on its trial, and the latest accounts of its working (*vide* Bengal Ad. Rep. for 1888–9, p. 294) are far from encouraging. The tension continues unabated, and in the opinion of competent observers, there is a fruitful source of future trouble in the "enhancement" and "non-occupancy" clauses of the Act—clauses with respect to which, the Hon. Mr. Reynolds held the law to be "dangerously inadequate."

Oudh—Here too the conflict is equally serious, but the legal protection to the tenant is much less effective. The pre-mutiny settlement, effected after the annexation of the Province, which rudely set aside the old Talookdars "as interlopers with no rights of property" and dealt with the actual occupants of the soil, sowed the first seed of discord. The post-mutiny compact, well described by General Barrow "as a revenue settlement made upon the battle-field," and which restored back the ancient estates to the old Talookdars, was too much of a "political Treaty," and left all the under-tenure holders entirely at the mercy of their masters. Subsequent efforts (the Oudh Sub-Settlement Act of 1866 and the Oudh Rent Act of 1868), intended to remedy the defects in the Talookdar compact of 1859, did something to help the weaker side, but at the same time deepened the discord between the two parties. The Hon. Mr. Quinton, in his speech on the Oudh Rent Bill of 1886, stated the position of things in that year thus:—"79 p. c. of the cultivated area is occupied by tenants at will, holding farms averaging something under 5 acres, and liable to annual enhancement of rent and to eviction at the mere will of the landlord; and of the total number of cultivators, only one in 200 enjoys any protection against these incidents of tenure." "The power of ejectment has been freely exercised by the landlord," the total number of ejectment notices issued in 18 years (1868–1886) having been 1,869,964, which would give more than one for every cultivator in the Province, and "an examination of 28,477 tenancies in different districts made 3 years ago showed that, of these numbers, there were only 5 p. c. in which the component fields and the rent had remained materially unchanged during the last 15 years, and that in 46 p. c. the tenants were all new owners," and rents had been raised "24 p. c." all round. Such was the disturbing

and dislocating effect of the agrarian conflict deepened by the Oudh Rent Act of 1868. "Under such a system," wrote Major Erskin, "the Oudh peasant has little incentive to exercise self-denial, prudence and thrift." The present Rent Act of 1886 is intended to remedy this state of things; the position of the tenant is much improved; the area of occupancy rights is enlarged, and checks are put on the landlord's powers of enhancement of rent and eviction. Still we are as far as ever from the final settlement; and in the meanwhile the struggle between the two parties continues without a sign of abatement, though on more equal terms, with "fatal" consequences to the agrarian peace and prosperity of the Province.

In the N. W. Provinces, the Central Provinces, and the Punjab, the tension is not so great as in Bengal and Oudh, but it is strong enough to prevent the co-operation of the classes concerned in the work of agricultural improvement.

N. W. Provinces.—Here, as in Bengal, the excessive assessments of the first 30 years of British rule (1802-1832) led to auction sales, and as a consequence, to extensive transfer of landed property, and to a wide disruption of old relations between the two classes. Between 1832-57, much was done to improve and strengthen the position of the tenant under the guidance of the able peasant proprietary school of the Provinces. "But," write the Government of India in their Despatch to the Secretary of State (March 1882) para 7, "the occurrences of 1857 drew attention in some places to the leaderless condition of the people; the sympathies between the mass of the agricultural population and their rulers were for some years disturbed by reminiscences of disorder and severity; the development of the country gave rise to hopes of European colonisation; and thus theories of land tenure, which were unfavorable to tenant right as being an impediment to the free disposal of property, were advocated, in Lower Bengal on behalf of great European interests, and elsewhere, as coincident with political expediency" (*vide* Correspondence on "the Law of Landlord and Tenant" in Bengal, p. 3). Act X of 1859 was more a landlords' than a tenants' Act, and between 1859 and 1873 the struggle between landlord and tenant reached an acute phase. Enhancement of rents and eviction became more frequent than ever, and the relations between the two classes were extremely strained. The Tenancy Act IX of 1873 did much to help the weaker party, but not enough. And the Act of 1881 had to

be passed to check the arbitrary exercise of proprietary powers on the part of the landlords. The question has not yet been finally settled, and the classes continue their fight.

Punjab—The pre-mutiny settlement effected after the annexation of the Province, and modelled on that of the N. W. Provinces, recognised tenant right, and invested a large portion of the cultivators with rights of occupancy. The post-mutiny arrangements, as carried out by the Settlement Commissioner, Mr. Edward Prinsep, in 1863, reduced most of these occupancy ryots to the position of tenants at will. Lord Lawrence, however, took up their cause, and aided in his efforts by J. S. Mill, succeeded in getting the Punjab Tenancy Act of 1868 passed, which restored the dispossessed Ryots to their old status, and did much otherwise to assure tenant right. The Act, however, was regarded by the proprietors as a confiscatory piece of legislation, and the tension between the proprietors and tenants began to manifest itself freely. During 18 years (1868-1886), the proprietors did all they could to defeat the main purpose of the settlement, and weaken tenant right; ejectments were frequent, oppressive enhancements of rents were more frequent still, and the position of the tenants grew worse. The Punjab Tenancy Act of 1886 sought to remedy the evil, in the words of the Lieutenant Governor of the Provinces, "by providing for the adjustment of occupancy rents by the standard of the Government revenue, and the adjustment of those rents by Government Officer at the time of settlement". It also provided for the enlargement of occupancy rights. The contest between the classes is still far from closed, and there is the same stretching of legal powers on the one hand, and of legal rights on the other, as in the other Provinces.

The Central Provinces—Here the economic conditions are still favourable to the tenant class, and the conflict is only just beginning. There are already signs of an endeavour on the part of the landlords to prevent fresh accruals of occupancy rights, and to narrow the existing area of such privileged tenure. A recent Amendment of the Central Provinces Land Revenue Bill (1889) provides a check upon the conversion of *Rayati* into *Sir* land, and the enlargement of *Sir* rights by the free eviction of unprotected tenants. (*vide* the Hon. Sir R. J. Crosthwaite's speech, 1889, on the Bill).

Thus, all over this wide area, besides an extreme insecurity of tenures, there is raging with more or less intensity this

social "war" (as the Hon. Mr. Quinton described it) between the landlords and the tenants. The recent Tenancy laws strengthen, no doubt, the weaker party in the struggle, but the struggle itself goes on as fiercely as ever. Legislation is alarmingly on the increase, particularly in Bengal; evictions and threats of evictions, and suits to enhance rents and prevent accrual of privileged occupancy rights, are more numerous than ever. The rents are already in many parts of this area at a ruinously high range; in Bengal, for instance, they are, according to Sir S. Bayley (*vide* his speech on the Tenancy Bill 1885), "so high that no sufficient margin for subsistence is left to the Ryot, and a single bad season suffices to break him down." They are not "economic rents" but "competitive rents," imposed by the law of economic necessity upon a pauperised Cottier peasantry. The Ryot is so placed that he has nothing to gain by any amount of industry or prudence that he might practise, and nothing to lose by any amount of recklessness: he has nothing to hope, and being above all anxious not to be dispossessed of his few acres, he pays any rents rather than starve. "A situation more devoid of motives" to self-help and self-exertion can hardly be imagined.

This conflict in these Provinces is, under every aspect, a most deplorable conflict, and it is clear that as long as it continues, the path of agricultural advance must remain barred. Obviously, however, it is a forced and unnatural conflict between the classes whose interests are absolutely bound up together, and the sooner it ends, the better for the common good. Both the classes are the necessary component factors of the agrarian system and ought to live in peace and work in harmony. Each requires the help of the other, and agricultural progress must mainly depend on their hearty co-operation; without it, the future of the industry must remain doubtful. What is therefore most needed here is that the existing tension and antagonism as between landlord and tenant should cease, and be replaced by mutual sympathy and good will. We have every confidence in the good sense of both these classes, and hope and expect that the ruinous contest will before long end, and their mutual relations will be placed on a satisfactory footing. We are aware that there is a certain school of agrarian reformers in these Upper Provinces, who would go straight to the point, and simplify and solve the problem by abolishing altogether one of the parties to the struggle—namely, the landlord class, and that their view, revolutionary as it might seem, is not without some apparent

warrant in the history of agrarian legislation and progress in Western Europe during the present century. But the conditions existent in India are so entirely different that we are convinced that any scheme of agrarian reform, framed on the false analogy of European methods, can only end in failure and mischief. From an economic, no less than from a political point of view, it would, in our opinion, be a most grave and disastrous error to weaken in any way the position, and diminish the power for good, of the Landlord classes in Upper India, and leave a vast pauper tenantry, without help and without resource, face to face with a strong centralized Government, which claims the over-lordship of the soil, and thinks it right, in the plenitude of its discretionary power, to assert that claim in a most agressive and unsympathetic manner. There is close on a century's experience in Bombay and Madras, where such is virtually the position of the so-called peasant-proprietary classes, to warn us against a repetition of the fatal error.

For, in those Presidencies, the condition of things is much worse than in Upper India. The old village-proprietary system (the Miras-mauzewari) no longer exists. The old Mirasdar who held his land on permanent tenure at fixed rates and shared with the brother Mirasdars of his native village the joint responsibility for the State-demand, has been levelled down to the *status* of a *upri* tenant holding his acres at the will of the State, and liable to ejectment for default of payment of assessment. His old privileges are under the Survey Acts gone, and his assessment is subject to periodical revision by a Department which exists for the sole purpose of filling the public treasury, and which, by its settlement operations, unsettles all relations. The Ryot is not allowed as against this Department even the protection of the Civil Courts, like his brother of Northern India. He holds direct of the State, and there is no middleman and no complex structure of intermediary superior rights in the soil. The term of occupancy under the Ryotwari system is 30 years, but even so, "there is strong proof", writes Sir J. Caird in his Report (p. 9), "that even a thirty years' settlement is not reckoned by the cultivator such a security as would lead him to spend any capital he may save on permanent improvements." The improving moral influence of this limited security of tenure is, however, more than neutralized by the growing sub-division of land—an evil already dwelt upon—on the one hand, and by the heavy enhancements of the State demand on the other. Over a large area of holdings, the assessments are such as seem perilously to trench even on the Ryots'

subsistence fund. Speaking of the Deccan Sir W. Hunter said (*vide* his speech on the Deccan Agriculturist Relief Act, 1883), "the fundamental difficulty of bringing relief to the Deccan peasantry, as stated by the Chief Special Judge entrusted with the task is.....that the Government assessment does not leave enough food to the cultivator to support himself and his family throughout the year." This brings us to a consideration of the last of the three causes to which we ascribe the absence of moral stimulus to improvement observable throughout the country—namely, the system of Government assessments.

The question relating to the principles, the methods, and the working results of the land revenue administration in British India is one of the most contested, but at the same time one of the most important questions in the whole range of Indian economics, as bearing "on the relations of the State to the occupiers of the soil," and, as "the country is essentially an agricultural country," going to the very root of our economic difficulties. On a most careful study of the subject, it appears to us impossible to resist the conviction that nothing has tended more in the past, and nothing leads more in the present, to the depression of our agricultural industry than the action of the State in this regard under the changed and changing economic conditions of the country. Western theories are recklessly applied to the facts of Indian life in all their logical rigour—theories suggested by a widely different range of economic experience, and at best of but qualified and local validity. That "the ownership of the soil in India vests in the State;" that "the land revenue of India is not tax but rent;" that "the unearned increment" belongs of right to the State as universal landlord,—these are the working theories of our Land Revenue Administration, and such revolutionary doctrines naturally result in a shipwreck of the peace and well-being of the entire rural population of the country. Mr. A. Harrington, in his able pamphlet on Economic Reform in Rural India (chapter I), writes:—"The shattered wrecks of rural happiness lie thick below the surface of village life in India. Too many of them

have been caused not by famine, pestilence or the act of God, not by thriftless improvidence or Moghul rapacity, but by the extortions of past British Governments, by the blunders of past revenue administrations, by ignorance and arrogance in high places, and want of backbone and blind unquestioning subservience in docile drudges.....If any one doubts this, let him read the fiscal history of almost any district in India since it first came under the influence of British rule. Let him dip into Settlement Reports and selections from Revenue Records. Let him study the history of British relations with Oudh since 1775. His doubts will not survive a few minutes' research."

The first theory we have to examine is based on the socialist idea of *State land-lordism*. This socialist theory is only an off-scouring of European economic heresies on the subject, and outside British India, finds its practical expression only in the *doctrinaire* land nationalization movement of our day. It has no logical foot-hold in the Aryan law and usage either of the West or of the East. *Private property in land* is by law and practice the recognised institution all over the civilized world, and tribal or clan ownership of land and its common cultivation is always recognised as an invariable index of a low state of civilization. At any rate, it is the most general and beneficial method of appropriation of what is no doubt "the original inheritance of the whole species." Hindu law is consistent in its entire conformity with this first requisite of organized society, and so are also the best traditions of Hindu rule. "Land throughout India," wrote J. S. Mill in a return presented to the House of Commons in 1857, "is generally private property, subject to the payment of revenue," and yet we find the dominant assumption of the Land Revenue Administration to be that "the land of a country belongs to the people of the country" in their collective capacity, and, therefore, to the State as their representative. The practical outcome of this "communistic" theory of the "territorial sovereignty" of the nation, as represented in the person of its Government, is the exaltation of the Kingly prerogative, which, being above the law, appropriates for the purposes of the State the largest proportion of

the fruits of the soil and leaves to the cultivator little beyond the bare margin of subsistence. No doubt, in a memorable Despatch of Dec. 17, 1856, the Court of Directors condemned this theory and the practice founded on it, pointing out "that the *right* of the Government is not a rent, which consists of all the surplus produce after paying the cost of cultivation and the *profits* of agricultural stock, but a *land revenue* only, which ought, if possible, to be so lightly assessed as to leave a surplus or *rent* to the occupier." But the Court's condemnation was of little avail, and only 4 years later, the Hon'ble Mr. J. Wilson, in his Financial Statement of 1860, told the Viceregal Council that "the land revenue in India is rent, and not a tax." The Famine Commissioners' Report contains the latest assertion of this dominant theory (Rep. page. 90. Part II). The State in India thus claims the paramount over-lordship of the land. It is jealous of private property in land and all private persons can only hold the land as superior or inferior occupants. If it recognises under-properietary rights, it does so only in strict subordination to its own superior claim. The old *Mirasdar* of the country, holding his land in full proprietorship, subject to the *fixed* demand of the State—once the pride and strength of Rural India—is swept clean off the face of the Indian Continent, and we have in his stead the weak struggling Survey occupant Ryot of to-day, bent down under the weight of his burdens, heavy enough by reason of competition, and liable to still greater enhancement at the arbitrary discretion of the State —his Landlord—with the penalty of forfeiture, ejectment and sale, hanging over his doomed head from year to year.

Secondly, the official advocates of this rent-theory of State landlordism, and under the shelter of the State, of the rights of superior holders, assert that the Landlord is entitled to the full economical or competition rental of the land, and the practice is not only to take the "full rent" but a great deal more. In Upper India, the Zemindar heads of the village communities, holding direct of the State, pay one half of the "true rent" to Government as land revenue; the cultivating tenants, holding of the Zemindars, pay the "full rent" and more, which last is

divided between the State and the Zemindars in such proportions as the State chooses to fix at its own discretion. The State share is nominally fixed, under Sir C. Wood's instructions of 1864, at half the "net assets," the other half being left to the under-proprietors; but as the late Sir L. Mallet remarked, "the 50 p. c. of the net produce has been a mere instruction, a fiction which has had very little to do with the actual facts of the administration," and "in practice the rates levied have often absorbed the whole rental, and not unfrequently...encroached on profits also." In Bengal, under the Permanent Settlement, the Government demand was originally fixed at $\frac{10}{11}$th of the net rental (*vide* Reg. of 1793), but is now believed to be about $\frac{1}{2}$th of it; the Zemindar's rents, according to the late Mr. Kristodas Pal, amount in the Western Districts to no less than $\frac{1}{3}$rd of the gross produce of the soil, in Behar to "from 7 to 9 annas in the rupee". In the other Provinces of Upper India, the Government share—a moiety of the net assets—is estimated at $\frac{1}{8}$th of the gross produce, $\frac{1}{9}$th being allowed to the under-proprietors. Thus, the Punjab Revenue Act of 1871 (XXXII) "declares the Government to be entitled to a share of the produce of the land to be fixed by itself," and "this share has recently been fixed by the Local Government at $\frac{1}{6}$th of the gross produce" (*vide* Punjab Government's letter, Finance Com. Rep. App.). In the N. W. Provinces, the Local Government write that "the average rent taken by the land owner of these Provinces from the cultivator of the soil is believed to be equivalent to a share of the gross produce, lying somewhere between $\frac{1}{3}$rd and $\frac{1}{4}$th . . . Government take half the net assets, and the proportion of the demand to gross produce on the above calculation lies between $\frac{1}{6}$th or $\frac{1}{8}$th." In Madras, the assessment is fixed at "a moiety of the net produce of the soil, commuted into money at an average of the prices ruling during a certain number of antecedent years." The ratio of the State demand to gross produce is thus explained in the Madras "Standing Information" (1879) p. 115:—"The principle on which the land-tax of Rayatwari districts is at present undergoing revision and re-

settlement preceded by a scientific survey, is that it should in no case exceed 40 p. c. of the gross produce in the case of lands for which irrigation is provided at Government cost, or one-third of the gross produce in the case of lands not so irrigated. These proportions are found to be nearly equal to half the net produce." In Bombay, the method is, writes Mr. W. G. Pedder in his "Memo on Land Settlement," "avowedly an empirical one;" the assessment being based on a consideration of the general course of prices and previous revenue history, with special reference to the value of the land in point of soil, water supply and situation. All over the country, the actual cultivator takes half the gross produce as his labour share, and the other half represents the owner's share, but the owner has to pay the Government demand therefrom and this demand too often absorbs the whole of the owner's share, and on an average is equal to half the owner's share. So great an authority as Sir Bartle Frere admitted that "the State often takes a *full rent* even when it professes and believes itself to be taking a mere land tax or share of that rent;" and we believe that the Government demand in this Presidency varies between $\frac{1}{3}$rd and $\frac{1}{5}$th of the gross produce of the soil. In Surat, the revised rates, as the tests showed in 19 different cases, represent, according to official estimates, "$\frac{1}{5}$th," according to the headmen of the villages $\frac{1}{4}$th part of the gross produce (*vide* Campbell's vol. for Surat, pages 494-5). The position, then, on the whole stands thus:—

The Ryots have to pay as rent or tax in	Madras...	$\frac{2}{5}$th to $\frac{1}{3}$rd	Gross produce.
do. do.	Bombay...	$\frac{1}{3}$rd to $\frac{1}{5}$th	do.
The cultivating tenants in	Bengal...	$\frac{2}{5}$th to $\frac{1}{3}$rd	do.
do. do.	Punjab...	$\frac{1}{3}$rd	do.
do. do.	N. W. Provinces, Central Provinces and Oudh	$\frac{1}{3}$rd to $\frac{1}{4}$th	do.

Statistically, taking peasant-proprietors and under-tenants separately, the position may be re-exhibited as under:—

A.—Peasant Proprietors, holding on 30 years tenure and paying land revenue only.

Province.	No. of such proprietors in millions.	Ratio of Payment to gross produce.	Remarks.
Punjab ...	2·981	$\frac{1}{6}$th or 16 p. c.	4·063 million peasant proprietors who till their own lands, pay 12—16 p. c. of the gross produce of the soil as tax.
N.W. Provinces	1·066	$\frac{1}{6}$th to $\frac{1}{8}$th or 16 to 12 p. c.	
C. Provinces ...	·056	$\frac{1}{6}$th or 16 p. c.	
Bombay ...	1·265	$\frac{1}{3}$rd to $\frac{1}{5}$th or 33 to 20 p. c.	5·546 pay from 40 to 20 p. c. of gross produce.
Madras ...	4·281	$\frac{2}{5}$th to $\frac{1}{3}$rd or 40 to 33 p. c.	

B.—Cultivating tenants, holding on varying terms and paying rent to the Under-proprietors.

Province.	No. of such cultivating tenants.	Periods of lease (for occupancy tenants only).	Rates of rent to gross produce.	Remarks.
Punjab ...	1·640	5 years	$\frac{1}{3}$ or 33 p. c.	7·089 millions pay from 33 to 25 p.c. of the gross produce.
N. W. Provinces. ...	2·700	10 years	$\frac{1}{3}$ to $\frac{1}{4}$ or 33 to 25 p. c.	
C. Provinces.	·941	20 to 10 years	$\frac{1}{3}$ or 33 p. c.	
Oudh ...	1·808	5 years	$\frac{1}{3}$ or 33 p. c.	
Bengal ...	9·825	15 to 5 years	$\frac{3}{5}$ to $\frac{1}{3}$ or 60 to 33 p. c.	9·825 from 60 to 30 p. c.

Roughly speaking, then, we may say that the Ryot's payments in India for his land as rent or revenue amount on an average to between $\frac{1}{3}$rd and $\frac{1}{4}$th part of the gross produce of the soil. This ratio of rent or assessment to gross produce

in this country compares as under with that prevailing elsewhere (the figures are taken from Mulhall's Dictionary p. 266):—

Country.	Value of gross produce per acre in £.	Rent in shillings per acre.	Ratio of rent to gross produce.
U. Kingdom	£. 33	20s. or £1	1/33
France	36	24 or 1·2	1/30
Germany	25	18 or ·9	1/28
Russia	3	2 or ·1	1/30
Austria	15	8 or ·4	1/38
Italy	22	11 or ·55	1/40
Spain	18	5 or ·25	1/72
Portugal	25	8 or ·4	1/62
Belgium	48	30 or 1 5	1/32
Holland	42	30 or 1·5	1/28
Denmark	33	24 or 1·2	1/27
Sweden	12	5 or ·25	1/48
Norway	11	4 or ·2	1/55
Greece	18	12 or ·6	1/30
Europe	20	8 or ·4	1/50
India	£ 1·8 (Famine Comrs. estimate.)	12s.–9 or ·6 to ·45	1/3 to 1/4

The table speaks for itself. While the European farmer pays as rent on an average 1/50th of gross produce, varying from 1/27 in Denmark to 1/72 in Spain, the Indian Ryot is condemned to part with a share of the scanty gross produce of his little plot of land fully amounting to 1/3 or 1/4 as rent or assessment; and yet official optimists like Sir Richard Temple have the courage to tell the world that Ramji bin Raoji is the lightest taxed farmer in all the world!

We shall next inquire what is the economical character of these so called Rent payments? They are not Ricardo's farmer's rents as regulated by considerations of economic profit, nor even customary rents, such as prevail elsewhere in the East, but Cottier tenants' rents, pure and simple, as determined by the severest competition. We have no "economic rents," because there is no capitalist farming here, and what the Rent Law

Commission write of Bengal (Rep. vol. I. P. 19), applies to all India. "There is little or no capital" say they, "employed in agriculture unless we include under this term the commonest agricultural implements, the seed grain necessary to produce the next years' crop, the food necessary for the cultivator's subsistence till the next harvest, and, it may be, a small stock laid by against the year of famine that is sure to come round in the cycle of seasons. The immediate object of cultivation is *subsistence on wages of labour, not profit on capital invested.*" As regards customary rents, it has to be observed that the salutary unwritten law of the East in pre-British periods served effectively to keep down the rents in India, and insure (like the Ulster tenant right) "a permanence of tenure in the same occupant without liability to any other increase of rent than might happen to be sanctioned by the general sentiments of the Community." Under British rule, this custom ceased to exercise any such moderating influence ; and competition is now with us, though under restrictive legislation, the sole regulator of the Ryot's payments. And competition for the land in this country, under conditions of growing population and a vanishing margin of cultivable waste, coincidently with a failure of non-agricultural industries, is so severe and intense that the Ryot, sooner than part with his acres which afford him the only means of subsistence, agrees to any terms the State or private Landlord may choose to dictate, "which do not involve starvation", and the result is, that his rents are being forced up to a height so ruinous as to leave him only the barest necessaries of life, if even that much. We have already quoted the opinion of Sir S. Bayley about the crushing pressure of rents in Bengal ; the figures are painfully interesting.

In 1793 (the year of the permanent Settlement).

Cultivated area, 66 p. c. }
Cultivable do. 33 p. c. }
Rental..... 3·13 crores.

In 1885 :—

Cultivated area, 91 p. c.
Cultivable waste, 9 p. c.
Rental..... 16 crores.

Thus rents have risen 400 p. c., while extension of cultivation has been only 25 p. c. and prices have risen 75 p. c. only during the past 100 years.

In Bombay Dr. Pollen, sometime Special Judge, Poona, writes :—"In average years the ordinary Deccan Ryot does

not get enough from the produce of his fields to pay the Government assessment and to support himself and his family throughout the year." In Kurnool (Madras), according to Mr. Benson, Assistant Director of Agriculture, the gross income of the Ryots is about Rs. 9 a year—an income which "represents an earning of about 1·7 lbs. of grain per diem at the average of the district prices," and yet they pay their assessment! The same is the case, writes the *Pioneer*, "in many districts in India" (*vide* its review of Mr. Benson's Report on Kurnool).

Thus with a tenure so uncertain, and with a rent charge so oppressively heavy as scarcely to leave him even a bare margin for support, what motive, we may ask, can the Indian Ryot have for exertion and improvements, what incentive to thrift, prudence, and self-help? But his difficulties do not end here. As things are, he has no assurance even of the scanty pittance which he at present earns from his few acres. Enhancements in prospect under Tenancy Acts in Upper India and assessment revisions by the Survey and Settlement Department all the country over excepting Bengal and part of Madras, hang over his head *in terrorem*, and darken his horizon. And there is the economic theory of the *unearned increment*, cut and dry to hand, to be employed to justify this double increase in the State Landlord's demands upon his diminishing "subsistence fund."

This theory of the *unearned increment* appears to us as illogical as it is mischievous, as applied to the economic facts of this country. As a scientific theory, it professes to rest on a consideration of the general *dynamical* movement of society, but carries its own logical contradiction by assuming a *statical* condition of the ownership of the soil. The assumption is a pure hypothesis, and is opposed to the general laws of social progression. Were land to remain for ever in the same hands, while society multiplies and progresses in every other respect, an *unearned increment* would no doubt accrue to the old possessors, as population should advance and industry expand, and with both, demand for food and other agricultural produce grow. But such a condition of things is no-where known to exist. Landed property, like every other species of property is subject to the sociological law of flux and change, and is changing hands with more or less frequency; and with every such change of possession, it is evident that the so-called "unearned increment" in its value, due to the operation of general causes, must disappear, as each

incoming holder pays to the outgoing for all its full value—earned and unearned alike. It is true, where, as in England, the land is centred in the hands of a few individuals, and law, usage, and economic conditions, are all favourable to permanence of propertied possession, such transfers of landed property must be of less frequent occurence than elsewhere, and an "unearned" increment to a limited extent does no doubt accrue to the lineal descendants of the old Landlords. But no such increment can arise in a country like India, where social arrangements and economic changes strongly favour division and transference of property. To see the extent and frequency of such changes in this country, we have only to turn to Table E of the Agricultural Statistics of British India for 1888-9. Under Transfers of Landed Property during 1888-9, we find the following figures:—

Madras	428,449 acres	Total=4,061,490 acres.
N. W. P.... ...	364,221 ,,	
Oudh	640,185 ,,	
Punjab	1,660,627 ,,	
C. Provinces ...	968,008 ,,	

(Bombay and Bengal give no returns).

The economic significance of these figures may be thus set forth:—

Province.	Total cropped area in acres.	Area transferred in a single year in acres.	Period of complete transfer.	Period of rent settlement and revision assessments.	
				Govt. assessments.	Rents.
Madras ...	23,157,408	428,449	54 years.	30 yrs.	...
N. W. P. ...	24,829,969	364,221	70 ,,	...	10
Oudh	8,857,670	640,185	14 ,,	...	5
Punjab ...	20,720,695	1,660,627	12 ,,	...	5
Central Provinces ...	13,870,050	968,008	14 ,,	20 yrs.	20 & 10 years.
	91,435,792	4,061,490	22·5 yrs.		

Thus over this vast area, viewed as a whole, we have a complete change, on the basis of last year's figures, in the occupying ownership of the soil every 22½ years; while the Government assessments are revised every 30 and 20 years, and enhancements of rents are allowed in Upper India at much shorter intervals; so that before the settlement or revision cycle is over, lands completely change hands more than once. Over particular areas, the state of things is still more striking; in Punjab, *e. g.*, land changes hands 2½ times, in Oudh more than twice, during the currency of the settlement. Under such circumstances, it is clear, that no such "unearned increment" in the value of land as the economic theory contemplates can accrue, which the landlords or the State in the name of the community can be justified in appropriating. And, yet, rents and assessments are being continually enhanced all over the country under the influence of this false economic doctrine.

As regards *rents* in Bengal, the Tenancy Act of 1885 allows enhancements to the amount of 2 annas in the rupee or 12½ p. c. every 15 years for occupancy tenants, or 25 p. c. every 30 years; in the other Provinces, we believe a similar limit is recommended, but not statutorily prescribed. As to enhancements of assessments, there is no legislative limitation, and the executive Government is allowed an unfettered discretion in the matter. In Bombay, the limits of 33, 50, and 100 p. c. enhancement of the assessments of Taluka and village holdings above the original demand, first adopted by Government for the Deccan in 1874, is now the rule for the revision of all settlements of which the time expires after 1883-4 (vide Sir J. B. Peile's speech 1886); but Lord Reay explained the point thus:—"whatever conditions are imposed on re-classification and on re-assessment, the determination of the amount of land revenue to be paid for Imperial and for Provincial purposes rests with the Government in its executive capacity. The Secretary of State may at any time alter the instructions given by him as to the 33 p. c. limit"; for, as Lord Hobhouse said, "In India, the land revenue is levied at the discretion of the ruler," or as the Famine Commission remarked, "by im-

memorial and unquestioned prescription, the Government is entitled to receive from the occupier of the land whatever portion it requires of the surplus profit left after defraying the expenses of cultivation." And "this is a principle," said Sir J. B. Peile, "with which we can assent to no interference whatever." In the other Provinces, things are not at all better ordered. At this very moment, assessments on revision are being enhanced by 60 and 70 p. c. in the Punjab and the Central Provinces. The result of revised settlements during 24 years for 1856 to 1879 is thus summed up in the Government of India's reply to Sir J. Caird's Report on the Condition of India (p. 39).

Province.	Old assessment.	New assessment.	Difference	Percentage.
N. W. Provinces ...	332 lakhs.	379 lakhs.	47 lakhs.	14 1
Oudh	105 ,,	144 ,,	38 ,,	37·0
C. Provinces... ...	52 ,,	59 ,,	7 ,,	13·8
Punjab...	173 ,,	180 ,,	6 ,,	3·9
Orissa	16 ,,	17 ,,	1 ,,	4 3
Madras	148 ,,	157 ,,	8 ,,	5·5
Bombay	140 ,,	172 ,,	32 ,,	23·3
Mysore...	30 ,,	33 ,,	3 ,,	10
Berars...	51 ,,	66 ,,	15 ,,	22
	10·50 lakhs.	12·10 lakhs.	159 lakhs.	15·2

"Thus," says the Government of India, "more than half the land revenue of India came under revision, and the fiscal result of the re-settlements was an increase of 1,597,670 (or about 15 p. c.) on the Government demand."

The Government of India Resolution of 1882 on the subject of re-settlements lays down three grounds of enhancement, *viz.* "*extension of cultivation, increase of produce due to improvements made by the State, and rise of prices.*" Similar grounds for enhancements of rents are allowed in the Tenancy Acts of Northern India. Now as regards *extension of cultivation*, we

think with the Bengal Rent Law Commission that "it is misnamed a ground of enhancement"; for when more land is put under crops, the total demand is increased but not the *rate of payment* leviable. As to State improvements—(canals and railway),—the irrigation rate, levied for the water supplied, is in most parts of the country Rs. 3 per acre or 10 p. c. on the value of the crops raised, according to official estimates. This is not a low rate certainly, and there is no justification for raising the rates generally because a canal has been constructed. While in regard to *Railways*, the effect of improved communications is fully reflected in the rise of the level of prices. But the chief ground relied upon for raising both rents and assessments is "*rise of prices.*" "Enhancement," said Sir J. B. Peile in his speech above referred to, "is justified by the commercial history of the past 30 years." To our mind, however, it furnishes no such justification, and this test is the most fallacious of any. The history of prices in this country has three well marked periods.

First Period (1800-1853)—A continuous decline with violent oscillations, due to depletion of specie, absence of communications and but little foreign trade, besides political unrest and climatic variations.

Second Period (1853-1870)—A *rise*, consequent on expansion of foreign trade, development of communications &c. under the law of *international equation* of prices.

Third Period (since 1870)—Both a rise and a fall; a fall in regard to our staple exports &c. rise in respect of the staple food grains of the country. The following few figures will illustrate this phase, as taken from "Prices and Wages in India."

EXPORTS.

Calcutta prices of staple trade Commodities.	
	Per maund.
Wheat ... 1870 Rs.	3- 4-6
1889 ,,	2-14-5
	Per khandy.
Cotton ... 1870 Rs.	284-14-0
1889 ,,	207-12-0
	Per maund.
Indigo ... 1870 Rs.	311-10-8
1889 ,,	222- 8-0
	Per maund.
Rapeseed... 1870 Rs.	4- 9- 7
1889 ,,	3-12-11
Rice alone shows a rise	

FOOD-GRAINS
(Seers per rupee).

Station.		Rice.	Wheat	Barley.	Jowari.	Bajri.	Gram.
Patna ...	61-4	33	21	53	,,	,,	,,
	1889	15	16	21	,,	,,	,,
Meerut ...	61-4	,,	26	37	26	26	29
	89	,,	16	24	23	19	23
Jubulpoor.	61-4		27		25	20	30
	89		15		17	18	23
Nagar ...	61-4	,,	14	,,	20	20	,,
	89	,,	13	,,	16	13	,,
Salem ...	61-4	13	,,	,,	22	23	,,
	89	13	,,	,,	26	23	,,
Delhi ...	61-4		21	34	29	28	27
	89		17	24	22	18	23

As regards *exports*, the general tendency of prices in the world's market is, as Mr. Giffen truly says, owing to the increasing volume of production, to a fall; and the international adjustment of prices having been completed during the 2nd period, we now not only bow to this tendency under the laws of international trade, but stimulate it by our compulsory exports, expanding with our expanding foreign liabilities, which are used to keep down the general level. The result is that while the Ryot has to put more and more acres under special export crops, and to ship larger and larger quantities, he has to be content with diminishing returns. Turning to the rise in the prices of food grains, the explanation seems to be this: there is little or no margin of profit now left over large areas of cultivable waste; there is no agricultural improvement; the soil under an exhausting system of agriculture is fast deteriorating; and, besides, more land has to be given to non-food crops year after year to support an increasing export; and yet as population is advancing, the local demand for food is growing *pari passu*. Thus, decrease of production, concurrently with a growing demand, accounts to our mind for the rising prices of the staple food grains of the country. But what does it mean? What else but that the Ryot, growing less and less food-corn, has less and less to part with.

Thus either way, in respect of the recent course of prices, the Ryot is a loser: while his exports bring him smaller and smaller returns, his home supply of food grains, through compulsory transfer of more and more acres from food grains to export crops, and other causes, is steadily diminishing,—a diminution which is reflected in the size of food grains; and, yet strange as it may seem, it is this rise in the prices of food grains—chiefly due to decreasing production—that is officially urged as a ground of enhancement in regard to the Ryot's rents and assessments!

But if the Ryot is so heavily weighted in regard to prices, how does it happen, it will be asked, that he agrees to pay enhanced rents and assessments? No Recardian farmer would do so. We reply, he does so under cruel economic necessity which leaves him no alternative. So keen and so fierce is the struggle for the possession of land owing to advancing population on the one hand, and on the other, to a contraction of non-agricultural industries, coincidently with a narrowed and narrowing margin of cultivable waste, that the Ryot is placed entirely at the mercy of the land-lord, and preferring to face a deterioration in

his standard of life rather than sink into the condition of a landless labourer, he submits to any terms "not involving starvation" (*vide* on this point Sir H. Davies' remarks quoted by Sir J. Strachey in his speech on the Oudh Rent Bill of 1887). The evils of such "fierce contention" for land among vast cottier rural populations in a purely agricultural country have been officially recognised, and the recent Tenancy Acts of Northern India contain restrictive provisions limiting the landlord's power to enhance rents as well as the Ryot's power to enter into ruinous contracts to his own prejudice; but the State Landlord admits no such limitation to its executive discretion in respect of revision of assessments, and an express provision is inserted in the Tenancy laws, allowing re-adjustment of rents with every revision of assessments.

It is this "forced increment" and not the unearned increment of Western Political Economy—in the renting value of land—so rendered possible by reason of the Ryot's submitting to a continual fall-off in his standard of life, that it is sought to get at by enhancements of rents and assessments. Neither the State-landlord nor the Zemindar seems to recognise that the end of such a struggle for an increase of payment so carved out of the Ryot's diminishing "corn heap" must be, in the words of Sir H. Davies, "to the landlord, a shrunken rent-roll and deteriorated property, to the country a degraded and desperate peasantry." The State forgets, in the words of the Duke of Argyll, "that the best wealth of a Government is to be found in the growing wealth of its people;"—the Zemindar, forgets that "it is a short-sighted policy" to rack-rent the tenantry, and keep them ever at a starvation point.

And it is for fear of losing this unholy and ruinous "increment" that the State still declines to settle its revenue demands upon the land in perpetuity. And following the example of the State, the Zemindars of Upper India strain every nerve to prevent the accrual of occupancy rights, and abolish such rights where they exist. Only recently a check has had to be placed by statute upon the efforts of the Malgujars of the Central Provinces to convert *Ryotti* land into *Sir* land. Under the influence of the self-same fear, the Government, after destroying the Mirasdari tenure in Southern and Western India, set at naught the instructions contained in Sir C. Wood's Despatches of 1862, as to a permanent settlement of the State demand on the land, though repeated in Sir S. Northcote's Despatch of 1867. These orders have been summarily held in abeyance for

the past 25 years and more, as involving an "undue sacrifice of prospective revenue," which, Government, it is urged, as trustee for the whole community, cannot be justified in making for the benefit of a section. Would that the tillers of the soil were a section and a small section of the population! It is conveniently forgotten, however, that the tillers of the soil number 86 p. c. of that community, and it is this 86 p. c. of the population who are made to suffer for the benefit of the remaining 16 per cent. Broad national considerations of equity and economic safety are, under the sway of fiscal greed, put aside, and the tiller of the soil is still denied the boon of a permanent settlement of the State demand.

Nor, again, are the Ryot's private improvements altogether safe from the tax-collector's hand. In Bombay, alone, is there a nominal legislative guarantee, under the Land Revenue Code, provided against the taxation of such improvements, but here, too, a saving clause is added, permitting of their assessment on revision, "with reference to the value of any natural advantage, where the improvement effected from private capital and resources consists only in having created the means of utilizing such advantage". Accordingly, all over Gujerath and in other parts, assessment rates on revision have been and are being enhanced "in consideration of the water-bearing properties of the soil" whether the Ryot avails of them or not. In Madras, there is a Standing Executive order—not having the force of law—"that the assessment on lands on which wells and other improvements have been constructed by the owners or occupants at their own cost shall not be enhanced at a future settlement, except on the ground of a general revision of the district rates." In the Central Provinces, no definite rules are yet laid down, and oftener than not, the Ryot's improvements are taxed. In the N. W. Provinces, Oudh and Punjab, the principle adopted is what is known as the "recoupment" principle, which is, as Sir S. Bayley explained it in the Debate in the Viceregal Council on the Land Improvement Loans Bill of 1883, that the improver is allowed to be "recouped" for all his original outlay, before his improvements are taxed. When the improver is thus recouped, the State, as joint proprietor, asserts "its right to a share in the improved produce of the soil." In the Punjab, the maker of a new well is "protected for 20 years," and repairers of old wells and diggers of water-courses for 10 years "from enhancement on account of the irrigation so provided," it being assumed that the profits in these periods "recoup the outlay and compensate the improver," whose improvements

thereafter become liable to be taxed. If non-taxation of such improvements were adopted as a rigid rule on the subject, the result would be, as the Lieutenant Governor in the course of the Debate (1883) pointed out, that "the past assessments would have to be forced down to the level of assessments on unirrigated land" at "a loss probably of *one-third* of our revenue." In the N. W. Provinces, the same "recoupment" principle was adopted in 1872, but, of course, without retrospective effect, and with this difference that the fixation of the period of recoupment was left to the discretion of Settlement Officers. A similar rule has been recently laid down in Oudh, which runs thus: "That lands irrigated from masonry wells or otherwise permanently improved by land holders at their own cost will be so assessed that no extra demand will be made from the land holders who have constructed the wells or works until they shall have recovered their outlay thereon, including capital and reasonable interest." Thus here, too, we have the theory of State landlordism, riding rough-shod over private rights, asserted in the administration of the land revenue. Sir T. Hope puts the case as one of "mutual rights," saying that "if it was reasonable that the occupier of land, whosoever he might be, should get a full and fair return for any capital which he might invest in improvements, it was equally reasonable to secure to the owner his rights for any natural advantages, which his property might possess, and which had not already been discounted by the rent imposed upon the occupier." *Vide* also on this point Sir G. Wingate's note). The argument is thus put:—"There are two factors in the result's of all improvement, namely, the expenditure of the tenant's capital and labour and the inherent qualities of the soil"; in the case of fully cultivated land, this second factor does not constitute "an appreciable element in the calculation of the value of a tenant's improvement" (*vide* Lord Ripon's speech, 1883); but in parts of the country where extensive areas are still awaiting reclamation, "the inherent qualities of the land are the principal factor, the outlay of the occupier is a much more limited factor, and the true mode of dealing with a case of that kind seems to be the adoption of the English principle of "improvement leases"; any other arrangement would result in a useless sacrifice of the prospective financial resources of the state" (the Hon. Mr. Quinton's speech). The whole of the revenue system in the Punjab has been built upon this principle, and it would never do now, said the Lieutenant Governor, "to exempt in future all new wells from the higher assessment." The

settlement officers, however, complain that it is not always possible to distinguish between these two factors in land improvement, and the result may be thus stated in the words of Mr. V. Smith, in his Settlement Officer's Manual for the North-Western Provinces, page 13, quoted by Mr. Harrington in his Economic Reform in Rural India, Chap. II :—" It is to be feared that the instruction of the Directors to refrain from taxing unexhausted improvement has often been lost sight of and I cannot find any mention of respect shown for such improvements except in Mr. S. M. Moen's Settlement Report for Bareilly, and Mr. C. A. Elliott's Rent-rate Report for Shamsabad and Kaingang in Farkabad." The North-Western Provinces Government, in their despatch of March 2, 1874, says :—" This principle of respecting improvements made by the owner has been laid down in theory in the settlement directions for these Provinces, and endeavour is no doubt sometimes made to give effect to it in more marked and exceptional cases; but as a *rule, it is lost sight of, and it is probably impossible under our existing system of settlement to give it any thing approaching full effect*" (the italics are ours). And this also is the case elsewhere.

Thus, from the foregoing summary of facts relating to tenures, rents and assessments, revision of assessments and rents, and taxation of improvements, it will be seen that the conditions in all these respects, at present existing in this country, are such as to leave to the actual cultivator of the soil but little motive to exert and to improve. His tenure is uncertain, the leases varying from 30 years in Madras and Bombay to 5 years in Oudh and Punjab; his rents and assessment are so oppressively high as to leave him barely a margin for support,—and hardly even that in Bengal and the Deccan; they are further liable to enhancement at the pleasure of the State and the private landlord, concurrently with his diminishing " corn-heap" and consequently dearer food grains; nor, further, are his private improvements left untaxed, if he makes any. Under such circumstances, he feels absolutely no interest—and we ask what tenant would?—in the land he tills, and no motive for

improvement, and is practically little better than a predial serf working for his bread—a mere *adscriptus glebæ*, bound to his acres which he cannot quit—such are the economic conditions prevailing in this country—under penalty of starvation. He has nothing to hope, and but little to gain by any amount of exertion or prudence, and lives in constant fear of being dispossessed of his holding. "A situation," in the words of J. S. Mill, "more devoid of motives to either labour or self-command, imagination itself cannot conceive. The inducements of free human beings are taken away, and those of a slave, not substituted". Thus circumstanced, those who would find fault with him for his indifference to improvement, and impute the backwardness of Indian Agriculture and the want of energy of the Indian Ryot in improving his condition to a peculiar indolence and want of energy in the Indian races, would do wel to ponder over what J. S. Mill says of the Irish peasantry. "O all vulgar modes," writes the great English philosopher, "of escaping from the consideration of the effect of social and moral influences on the human mind, the most vulgar is that of attributing the diversities of conduct and character to inherent natural differences. What race would not be indolent and *insouciant*, when things are so arranged that they derive no advntage from forethought and exertions?" (Pol. Econ. Bk. II, Chap. IX, para 3).

And here we would, for the present, close.

THE INDUSTRIAL PROBLEM IN INDIA—STATE AID.*

An Economic Council for India.

"*Salus populi suprema est lex.*"

".....It is our earnest desire to stimulate the peaceful industry of India, to promote works of public utility and improvement and to administer the Government for the benefit of all our subjects resident therein. In their prosperity will be our security and in their gratitude our best reward. And may the God of all power grant to us and to those in authority under us, strength to carry out these our wishes for the good of our people."

(*Proclamation by the Queen in Council to the Princes, Chiefs and People of India*; *November 1, 1858*).

Among the more conspicuous features of Lord Curzon's Administration, a foremost place may justly be assigned to the advance he initiated in the economic policy of the State in India, as the final and definite outcome of the experience and developments of a long antecedent period. It was a most momentous advance—almost amounting to a radical departure, broad-based upon a close and careful survey of the economic situation in the country and its requirements. The material condition of the people of India—their growing poverty and resourcelessness—suggested a problem as serious and difficult as any a responsible Government in any country had ever to face. The danger of the position lay in the fact that the vast majority of the population depended upon the land for their daily bread; and the late Viceroy agreed with the Famine Commission of 1880 in thinking that, as long as such dependence continued, the root of the evil must remain untouched. The same conclusion was most painfully borne in upon his Lordship's mind by the sad experiences of the year 1899–1900, when a dreadful famine—the most calamitous of the century afflicted the land. The development of agricultural industry on European methods was no doubt a most desirable and necessary

* This contribution appeared over the signature "G. V. Joshi" in the *Modern Review* of Calcutta in its issue for January 1907.

scheme; and no one would for a moment under-rate the importance of a policy which aimed at such a result and sought to "maintain agricultural operations in the country at the highest attainable standard of agricultural efficiency." But Lord Curzon was convinced with the Famine Commissioners that agricultural improvement—on which official inquiry and efforts had so long been concentrated—could not alone be relied upon as a complete and effective remedy for the evils from which the country suffered. He held the view that economic salvation must be sought in a general movement of industrial upheaval —a thorough re-building, on newer lines, of the entire industrial fabric of the country—embracing every branch of national industry,—agriculture, manufactures, art-industries and trade. And in the conditions existing he considered it was the "supreme duty" of the State to assist to the full extent of its power in such a movement of industrial re-construction.

Lord Curzon evidently cherished no Free-trade illusions. With him apparently as with Prince Bismarck, Free-trade and Protection were but categories of time and place. He rejected as inapplicable to India the *doctrinaire* theory of *laissez-faire* which would restrict the functions of the State to the protection of person and property and the maintenance of peace and order. He thought that the circumstances of the country made it obligatory upon the State in India as representing the collective strength of the community, to render every legitimate encouragement and aid to the growth and expansion of the industrial life of the people in all its wide and varied range. He was deeply impressed with the boundless richness and variety of the material resources of the country and the vast potentialities of the future. He agreed with the *Times* that "for concerted and scientifically co-ordinated enterprise, India offers a field second to none in the world". Vigorous and well-arranged advance was necessary upon a broad front, and he was of opinion that one of India's most urgent economic needs was a large and carefully considered scheme of State-aid in furtherance of such advance. Railways and Canals, the Telegraph and the Post were all no doubt important and helpful steps forward along the line of necessary State-action; but in his view, something more was required to meet the demands of the position,—a comprehensive constructive policy of the State-assisted economic progress extending to every field of industrial effort—a policy of direct, deliberate, and systematic promotion of industrial enterprise in every form and shape.

Thus, for the first time in the economic history of British India, we had such a clear and definite recognition, on the part of a responsible statesman at the head of the Government of India, of the solemn duty that lay upon the State in respect of the industrial progress of the country. Never before had there been such an unreserved acceptance on the part of the authorities of a plain national obligation in a matter of such vital concern. Famine succeeded famine in disastrous succession—each with a sadder story of suffering and distress. The perils of the situation were freely recognised; but the attitude of the Government of India in this regard had for years been one of *non possumus*. Evidently the Free-trade spell had lasted too long to sway the minds and guide the action of Anglo Indian statesmen and administrators. And Lord Curzon's Government,—whatever our differences of view in other matters,—deserves well of the country for having had the courage to break through the traditions and lay down for the State in India an economic plan of action of such breadth and wide range. The late Mr. Justice Ranade was a strong advocate of such a policy.

As a *conditio sine qua non*, however, precedent to the inauguration of such a policy of State-aid to national industry, it was evident that Government had need of expert inquiry and competent advice. The resources of the country were inexhaustible, but as yet undeveloped and for the most part unexplored. The people,—left behind in the race and otherwise handicapped by reason of the exhausting policy—military struggles of a chequered historic past—were not in a position to utilize them by their own unaided efforts; their existing industries were but few and crude—survivals of a ship-wrecked past the tillage of the soil and the simple subsidiary trades and crafts; their industrial organizations, in a rudimentary condition; and their industrial methods, primitive and wasteful. Being drawn prematurely and without the needful training and preparation into the vortex of the world's competitive contest, and opposition to rivals working on an immeasurably higher plan of industrial efficiency, they found themselves year after year less and less able to hold their own in the arena. All over the country, they were sinking—for want of timely help and proper guidance—*starving Midas-like in the midst of untold riches*. Here was a field of boundless extent for effective State intervention—a field in which the British Government, as representing a higher civilization, was under a moral obligation to extend to

the industrial life of the nation committed to its charge the needful aid and support.

To help the people to help themselves—to awaken in them a new industrial spirit—and gradually fit them under a suitable system of training and stimulus for a higher type of industrial activity to lead them on into newer and broader lines of industrial effort so as to enable them in due course to take upon themselves the systematic development of their country's resources—and thus rescuing them from their present degradation and misery—to raise them to a wider and more elevated platform of economic life—this was the task which lay before the British rulers of India—a task of unprecedented magnitude and difficulty. European science and European experience had to be brought to bear on the situation, and it was clear that careful investigation, deliberation and experiment must precede effective action. It was necessary for Government before it could decide upon a practical course of action—to be in possession, on the one hand, of carefully ascertained facts regarding the economic condition and resources of the country, as well as possible and promising lines of new development, and, on the other, to have competent and responsible advice as to in what departments of the industrial field, at what exact points, and in what ways it could effectively and without avoidable risk of failure intervene and assist in the general movement of advance. In other words, it required (1) a strong staff of trained investigators to collect, arrange and systematize the necessary data bearing on the economic problem and formulate reasoned conclusions, and (2) a representative board of qualified and responsible economic advisers to frame a practical programme based on such investigation and with full knowledge of the people, their habits and aptitudes, their wants and wishes. *A scientific staff and a consultative economic council* were thus the preliminary requisites for an economic departure such as Lord Curzon's Government had in view.

In the self-governing countries of the West such a double machinery is usually provided, when under parallel conditions the State proposes to give assistance to national industrial effort. About a quarter of a century ago all over Western Europe, when there was a severe agricultural depression caused by cheap imports of agricultural produce from North America, Australia, La Plata and other countries, and falling prices, and it was clear that the crisis could only be met by a thorough re-organization of the agricultural industry and the introduction

of improved and scientific methods,—State-aid was invoked on behalf of such work of agricultural reconstruction, and the Governments concerned thought it necessary before giving such aid to create a double organization of investigation and advice to guide their action, such as has been indicated above; and the organization so created still exists in these countries in full working order. In most of these countries—in France, Belgium, Denmark, Austria, Hungary, Italy—there is the Ministry of Agriculture as a distinct State Department; or where, as in Italy and the Netherlands, Agriculture is joined on to Industry and Commerce,—a Central Bureau in charge of Agriculture. The Central Administration has under it a numerous corps of specialists for various branches of agricultural research and experiment—agricultural chemists, cryptogamic botanists, economic entomologists, bacteriologists, mycologists, &c.—each section with a strong establishment and liberal grants for the work. But still stronger is the machinery of organized economic and expert advice in these States; and a few details thereof will be of interest.

In France, the Central Services of the Agricultural Department are under the control of a Board of Advisers called the "Conseil d' Administration" consisting of the Minister of Agriculture and six members. The Ministry is 'further assisted by a strong consultative council, designated the Conseil Superieur de l' Agriculture'—composed of men connected with agriculture and members of the Senate and the Chamber of Deputies. There are also consultative Chambers of Agriculture in most of the larger towns, and through the agency of these and the "Conseil Superieur," the Ministry of Agriculture is kept fully acquainted with the wants and wishes of the agricultural community.

In Germany, the organization is still more perfect. Beginning with the small local unions, there follow branch, district and county unions—all these being united together in the Central and Provincial agricultural corporations of the smaller States and Provinces. These are, again, united into the highest agricultural corporations of the larger states—which often possess a semi-official character—for instance, in Prussia the Land Economic Council, in Bavaria, the Agricultural Council, in Saxony, the Land Cultivation Council and so forth. The apex of the whole organization and the highest condensed expression of German agricultural wishes is embodied in the Imperial German Agricultural Council, which assists the Central Department with its advice in agricultural matters.

In Italy, there is the Council of Agriculture to advise the State Department, consisting of (as organised by Royal Decree in 1887).—

24 Presidents of Chambers of Commerce ("Comizi Agrari"); and

6 Presidents of Economic Societies, Agricultural Academies and Veterinary Societies—both these selected every year by the Minister from a list of associations entitled to representation on the Council; and

15 Councillors appointed annually by Royal Decree, selected from among persons versed in Economic Science and *ex-officio* members.

There is besides an extensive net-work of subordinate associations throughout the kingdom.

In Belgium, there is in each Province an Agricultural Commission appointed by the King; delegates from which along with specialists form a Superior Council of Agriculture to advise and assist the State Ministry of Agriculture.

In Sweden, there is the Royal Academy of Agriculture—to assist the Department of Agriculture—composed of 24 members appointed by the King, and 150 working members and 75 foreign members elected by the Academy.

In Norway, there is the Royal Society—"Konglige Selskab for Norges vel" charged with the same advisory function.

In Prussia, there is a Board of Advice in matters economic which may be mentioned in this connection. Its advisory functions are not restricted to Agriculture, but embrace the entire field of national industry. It is designated the Prussian Economic Council, "*Volkswirth-schaftsrath*", established in 1880 to assist the Government in the deliberation of measures affecting Trade, Industry and Agriculture. It consists of 75 members, of whom 45 are recommended to the Government for nomination by representatives of Trade, Industry, and Agriculture and Forestry (15 members each), while 30 are called by the Government, 15 at least of these representing the artisan and labour classes. The election is for 5 years.

Here in this kingdom—a few years after the French War—there was a serious economic depression extending to every branch of industry—owing to unrestricted foreign competition;

and it was clear that the Free Trade policy of 1865 was a disastrous failure. "National industry must unconditionally be protected." "Hitherto Germany owing to the policy of Free Trade had been a country where the goods of all the world might be deposited, the result being to depress home prices and destroy home trade." "Let us close our doors and erect somewhat higher barriers", said Prince Bismarck, "and let us thus take care to preserve at least the German market to German industry." In 1880, the great Chancellor made up his mind to abandon Free Trade, and decided with the full concurrence of the Reichstag upon a return to the policy of Protection—of 1823-65—a comprehensive policy of State-aid and protection to national industry—"the policy of the Great Frederick." It was a scheme of large economic change, and the Prince felt the need of responsible advice in framing practical measures. And it was on his recommendation that the "Volkswirth-schaftsrath" was constituted to serve as a Standing Board of Advice to the Central Administration. The Economic Council has thus been in existence for a full quarter of a century, and by all accounts, is an eminent success.

In India—where we have no representative institutions—and where the economic situation is infinitely more serious and difficult—the need for a similar double machinery of scientific enquiry and economic advice to assist the Government of the country in chalking out a proper scheme of State effort in aid and furtherance of national industry is all the greater. But, unfortunately, the Government of India ever since 1866, when the Orissa Famine first forced the question of agricultural reform and improvement on their attention, have only applied themselves to one side of the work—the equipment of a staff of expert investigators. The first measures were adopted by Lord Mayo's Government in 1870, when a branch of the Imperial Secretariat was formed to deal with the development of the scheme.

This measure was followed in 1875 by the constitution of a provincial department of agriculture in the N. W. Provinces. In the field of Economic Geology special attention was directed to minerals of commercial value, and the exploration of the coal-beds of Central India known as the Gondwana series was commenced under the guidance of experts. Further action in the direction was interrupted by the famines of 1876-7-8, and was not again taken up till 1881 when in pursuance of the

Famine Commission's advice an Imperial Department of Revenue and Agriculture was created. Provincial Departments were at the same time organised—each under the control of an Official Director; and in a Resolution of 1881 the duties of these Departments were summed up by the Government of India as Agricultural Enquiry, Agricultural Improvement and Famine Relief. In the Geological Department, specialists were employed to conduct extended inquiries of a practical nature—coal and other deposits. Since then, the work of organization of expert inquiry had proceeded slowly and haltingly till 1899-1900, at the end of which year it was resumed under Lord Curzon's Administration, and pushed on with great vigour. The official scheme of scientific investigation, up till then restricted to agriculture and economic geology, was vastly extended and developed so as to cover as far as possible the entire field of Indian industry : and the scientific staff was largely increased and strengthened.

As at present constituted, the expert staffs of inquiry and Boards of advice are as below :—

A. *Agriculture*:—

First.—There is the Imperial Department of Revenue and Agriculture (formed in 1881) and under it, there is the Imperial Bureau of Agriculture presided over by an Inspector-General of Agriculture (appointed in 1901). The Inspector-General is the scientific Adviser in Agricultural matters to both the Imperial and Provincial Governments. He has no direct authority over Provincial Departments, but it is his duty to guide and co-ordinate the enquiries and experiments carried out under the orders of Local Governments as well as to respond to the requests of private investigators for assistance or advice. He has under him a numerous staff of experts—for research work—Chemists, Botanists, Entomologists, Bacteriologists, Mycologists, &c.

Secondly.—There are the Provincial Departments of Agriculture—each assisted by an expert staff of chemists, botanists, &c.

Thirdly.—There is the Board of Agriculture which meets annually in Pusa, consisting of the Inspector-General and the Imperial Staff, the Provincial Directors and their expert staffs, the Inspector-

General, Civil Veterinary Department, the Director of the Botanical Survey and the Director of Public Instruction, Bengal. It discusses the programmes of the Imperial and Provincial Departments and advises Government as to the action that should be taken for the reform and improvement of Indian Agriculture.

Fourthly.—There is the Agricultural Research Institute, Pusa, constituted in 1903, with fully equipped laboratories for research-work.

Fifthly.—There are the Provincial Colleges of Agriculture—recently established, affiliated to the higher College at Pusa.

Sixthly.—There is the Civil Veterinary Department presided over by an Inspector-General (appointed in 1892)—assisted by a staff of Superintendents in charge of horse-breeding and other operations. There is a Camel specialist under him (on Rs. 500—660).

Seventhly.—Besides, there are at present 5 experts working under the direction of the Inspector-General of Agriculture—*the Cotton expert*, *the Tobacco expert*, *the Sugar expert*, *the Wheat expert*, and the *Fruit expert*.

B. *Geological Survey*:—Geological inquiry was first systematised and placed under a Departmental Head in 1856. Economic investigations were undertaken in 1876 and extended in 1881, and the Department was re-organised in 1893. Further changes were made in September last (G. R., dated September 7, 1906). As now constituted, the staff consists of 1 Director, 3 Superintendents, 1 Chemist and 15 Assistant Superintendents—including mining specialists.

The re-organization of the Department—including a material increase in the pay of officers—is intended to secure for the work—particularly of economic inquiry—"men possessing a sound scientific education and with practical experience of mining and geological work." "Not only was a material increase," write the Government of India, "in the pay of the various grades required, but also a considerable addition to the

strength of the existing establishment. The rapid expansion of the economic side of the work is a new feature, and it is regarded as vitally important that all possible facilities should be given to assist the development upon a sound basis of mining industries in India. The necessity for the rapid completion of the Geological Survey of India has frequently been urged on the Government of India, who fully recognise the immediate scientific, and the ultimate practical, advantages of this work, but it was felt that the Geological Survey Department could not with its existing strength undertake the scientific work for the performance of which it was primarily constituted and at the same time devote that amount of attention which the interest of India now demand to purely economic enquiries. Proposals for the re-organisation of the Department were therefore submitted to the Secretary of State and have now received his approval." Mining experts—formerly only temporarily engaged—have now been placed on the permanent staff.

C. *Forestry* :—There is the Imperial Forest Department, presided over by an Inspector-General of Forests with a staff of Conservators and Deputy Conservators. There are also the Provincial Forest Services. The total strength of the controlling staff is 210 officers.

The Inspector-General and his assistants in collaboration with the Reporter on Economic Products to the Government of India do scientific work in connection with the collection, investigation and analysis of forest products including gums, resins, rubber, oils, dyes, tans, fibres, timbers, &c.

D. *Fisheries*.—There is yet no special department of inquiry in this connection. Only papers are occasionally published, embodying the results of private research.

The Bengal Government has recently appointed a Commission of inquiry to be assisted by an expert in fishery matters from England, and in their Resolution say :—

"The Government of Bengal has had under consideration the question of the possibility of improving and developing the fisheries of Bengal. It is estimated that the annual production of fish in the United States of America is 1,000,000 tons; in the British Isles, over that amount; in Japan over 3 million tons. Bengal has an extensive sea-board and from the result

obtained along the coast by small parties of fishermen working on crude lines and with small boats and never venturing out far from shore, there is every promise of an abundant harvest if only the sea were properly exploited with the help of sufficient capital and enterprise. On the other hand in its estuaries, in its inland lakes, and above all in its magnificent system of rivers, Bengal has sources for fish-supply perhaps unrivalled in the world. In a country where famines occur, every measure of augmenting the food stores of the people from other sources must be a matter of supreme importance."

The Madras Government is also taking action in connection with the development of its West-coast fisheries. The Government of Bombay is understood to have similar inquiries in contemplation.

E. *Industry* :—There are two sections of work in this connection—*Industrial Survey* and *Scientific Advice*.

(1) The question of instituting a special Industrial Survey of India under expert direction has been repeatedly pressed on the attention of Government. Dr. Forbes Watson of the India Museum urged the desirability of such a survey in a pamphlet entitled "Industrial Survey of India" several years ago on behalf of European capital and European enterprise. "For the last half century", wrote Dr. Watson, "it has been on all sides constantly urged, that no radical reform in the agricultural or industrial condition of India can take place without an influx of European capital and European enterprise, and it has often been made a matter of surprise that neither of them has been supplied by England in the amount which could have been utilized by a country of such vast natural resources as India. It has been considered remarkable, that a country under British rule, with full guarantees for the protection of life and property, has not attracted more of the super-abundant capital and enterprise of England, although the means of communication have recently been so much extended. The reason is that, however, important all the condition just enumerated may be, there is a still more indispensable requirement which must be satisfied before private capital and skill will come forward without a Government guarantee.

This requirement is such a precise knowledge of the industrial resources and of the conditions of production of the country as will allow of a reasonable forecast of the success of the enterprise " : in other words, a systematic scientific knowledge of the various products of India in their raw and in their manufactured condition. Such a knowledge in Europe is the accumulated result of the efforts of many successive generations, the work of legions of pioneers and experimenters. In most European countries there is a network of private agency for such scientific investigation. In India we have not even the rudiments of such a private organization; and with a view to promote the industrial advancement of the country it behoves Government to lose no time in instituting such a survey.

There is yet no separate Department entrusted with this kind of technical work. But numerous lines of inquiry are being fast opened out by official and other investigators; and the results as far as scientifically reached and tested are published from time to time by the Reporter on Economic Products to the Government of India.

Dr. Watt's Dictionary of the Economic Products of India compiled in 1885-1894 deserves mention in this connection. It is intended to be a work of reference—accurate in its scientific details—for practical and commercial purposes. A revised edition of the Dictionary is at present under preparation: it contains a trust-worthy and ample *resume* of official and private inquiries regarding the economic products of India—supplying precise and comprehensive information regarding each economic product—its different varieties, the places and methods of its production and commercial and industrial uses—as demanded by Dr. Forbes Watson many years ago on behalf of European manufacturers and merchants.

Some of the Provincial Governments have also carried out partial surveys of this kind in their respective Provinces—notably the Government of Madras; and the results of such surveys are accessible to the public in the local Gazetteers.

(2) Apart, however, from such survey work—we have at present three advisory bodies to assist the Government of India in regard to such an exhaustive scientific examination of the economic products of the country.

(*a*) First, we have the Board of Scientific Advice for India constituted in 1902. It consists of the heads of the Meteorological, Geological, Botanical, Forest, Survey, Agricultural and Veterinary Departments; and Government from time to time invites to serve upon it other Scientific Officers in the service of the Imperial and Provincial Governments whose special attainments may render their assistance desirable.

The Board is a central authority for the co-ordination of official scientific inquiry, and advises Government ".in prosecuting practical research into those questions of economic or applied science, on the solution of which the progressive prosperity of the country, especially as regards its agricultural and industrial development, so largely depends." It further advises upon the operations of the Departments with due attention to the economic side of their work, and serves as a Board of reference on all matters connected with the organization of scientific inquiry in India. It submits annually to Government a general programme of research—and at the end of the year, presents a brief review of the results obtained during the year in all lines of scientific investigation controlled by its members.

(*b*) Secondly, the Government of India has the assistance of the Imperial Institute in England with reference to " such scientific and technical investigations of economic importance as are best pursued in London either on account of their special character and complexity or on account of the desirability of the results being communicated to manufacturers and commercial experts with a view to technical trials and commercial opinions and valuations being obtained," and

(c) Thirdly, there is in England an Advisory Committee appointed by the Royal Society to advise the Government of India on its scientific and economic work. The Director of the Imperial Institute is a member of the Committee. The reports and programmes of the Board of Scientific Advice in India are submitted to the Committee through the Secretary of State for consideration and advice.

The field of inquiry in this respect is of vast extent, and progress must necessarily be slow. With three such Boards of Advice, however, the Government of India will before long be in a position to organize a separate Department for the purpose of carrying out such a comprehensive industrial survey of the country.

It may be added in this connection that articles prepared by the staff of the Scientific and Technical Department of the Imperial Institute, embodying results reached relating to Indian economic products are annually published in the Bulletin of the Imperial Institute, and that the Bulletin circulates in Great Britain and in the Colonies. Last year the bulletin on the production of Manganese ores in India had a wide circulation.

F. *Trade*:—Railway communication. We have the Railway Board composed of three railway specialists with a Secretary and establishment (constituted in 1905). It is a body outside the Government of India—entrusted with a double set of functions—(1) Administrative and (2) Deliberative. Its administrative functions include the construction of new lines by State agency, the carrying out of new works on open lines, the improvement of railway management with regard both to economy and public convenience, the control and promotion of the staff on State lines, &c., &c. As regards *deliberation*, there are the preparation of the Railway programme and the larger questions of railway policy and economy—affecting both State and Companies' lines. In the exercise of the latter functions, the Board acts as the adviser of Government whose conclusions will not be arrived at without the advice of the Board.

Thus as a deliberative body, the Railway Board is a standing Committee of railway experts to advise the Government of India in regard to this branch of Public Works. It is intended to bring to this side of State policy larger expert knowledge and experience, and examining the question from the wider stand-points of administration, trade and industrial development, submit to Government from time to time a systematic and scientific programme of railway extensions and railway administrative improvements.

2ndly,—We have the Bureau of Commercial Intelligence, under a Director-General of Commercial Intelligence with an Assistant Director and a strong staff of Superintendents. The Bureau is an important department intended to serve "as an intermediary between the Ministry of Commerce and Industry and the mercantile public."

G. *Commerce and Industry*:—But, above all, there is the new Department of Commerce and Industry formed in 1905 to preside over the entire work and guide the general economic policy of Government. It is invested with extensive functions—embracing Economic Products, Fisheries, Geology and Minerals, internal land trade, merchant-shipping, railway questions, customs, Government coal and iron works, exhibitions, &c. &c.,—matters, generally relating to the commercial and industrial development of the country. The Department also advises Government on questions concerning commercial treaties and conventions.

"The days are gone by", said Lord Curzon (*vide* Budget speech, 1905), "when Government can dissociate itself from the encouragement of Commercial enterprise"—especially at a time—"when the whole air is alive with movement, rivalry, and competition; and when we desire to push our products, our manufactures and our industries upon the attention of the world." The new Department realises the long-cherished aspiration of the mercantile community.

Such is briefly the extensive machinery of expert enquiry and technical advice created for the most part during the past few years—from humbler beginnings—to assist the Government of India in matters economic. It touches every point of the industrial compass, and comprises in its wide sweep every branch of national industry—agriculture, mining, forestry, fisheries, industries and commerce—and communication. The new organization indicates with sufficient clearness the comprehensive policy of State-aid in furtherance of the industrial and commercial development of the country on which the Government of India has embarked under Lord Curzon's lead and guidance.

Scientific inquiry and technical advice, however, only represent one side of the work. Scientific investigation and ascertainment of facts and conditions—collection and collation of all available *data* bearing on the question—this is of course a necessary preliminary condition—preliminary to the proper initiation and prosecution of all practical effort, but nevertheless, forms a factor—essential undoubtedly—but of subordinate importance in the practical problem. How such efforts should and can best be inaugurated—on what lines conducted—and by what means and agency—and with what aims and objects—these and the like are among the most determining considerations in the matter. Further, the limitations of such State-action and its ultimate purpose ought never to be lost sight of. The work is the people's own work; they must take it in hand and carry it on—receiving, in the first stages of effort and trial, aid from the State only when necessary and that, too, for a time only till they are able to do without it. "A good Government", says J. S. Mill, "will give all its aid in such a shape as to encourage and nurture any rudiments it may find of a spirit of individual exertion. It will be assiduous in removing obstacles and discouragements to voluntary enterprise and in giving whatever facilities and whatever direction and guidance may be necessary; its pecuniary means will be applied, when practicable, in aid of private efforts—rather than in supersession of them, and it will call into play its machinery of rewards and honours to elicit such efforts. Government aid when given merely in default of private enterprise should be so given as to be as far as possible a course of education for the people in the art of accomplishing great objects by individual energy and voluntary co-operation." A scheme of State action which aims at any other result in this matter and seeks to concentrate the work in the hands of the State to the exclusion of the people—or to transfer the field of development to other than indigenous enterprise offends against all principles of justice and fair-play.

The work Government proposes to itself in this connection, is one of great responsibility; and in order that its action might be planned out on right and helpful lines, it is absolutely necessary—particularly under the peculiar conditions of British rule in India—that it should have—before it decides upon a practical course of action, on the results of scientific investigation and in accordance with the recommendations of the expert Departments—responsible and competent popular advice—the advice of the people on whose behalf all such action is con-

templated—men of position and influence who know their countrymen and can speak with authority about their wishes and requirements.

Apparently, however, Government has yet no such machinery of popular advice in contemplation. Perhaps the existing bureaucratic frame of general administration does not easily lend itself to any such arrangement. It places its chief dependence upon its own Departmental officers and official Boards —particularly the new Minister of Commerce and Industry and the Board of Scientific Advice—and accepts all such outside advice and suggestions it may receive from the Press and Associations. It has not yet, however, provided itself with any constitutional means of taking the people into its confidence ; and the absence of some such provision appears to us to be a most fundamental defect in the present scheme of State action—leading to results not always in harmony with the just aims of such an economic policy.

As far as British capital and British enterprise are concerned, the absence of any such non-official representative board of economic advice to the Government of India involves no serious disadvantage. They are always in the closest touch with the authorities both in England and India. In England, they have at their back the support of the powerful British industrial organizations, and have intimate relations with the India Office through them or their representatives in Parliament. In India itself, British Commerce is allowed direct representation on the Legislative Councils under the Indian Councils Act. Besides, the British mercantile and industrial communities have their Chambers of Commerce and other associations to focus and represent their views, and these Chambers and associations, according to Lord Curzon's view, "form an important factor in the body politic, constituted for the formation and representation of expert opinion upon mercantile subjects," and a valuable machinery by which Government can ascertain the views of the business world upon the many matters connected with business and trade with which it is called upon to deal. There is also the English press to give them its support. And finally, there are the numerous and frequent formal and informal Conferences between their representatives and members of Government in regard to matters affecting the trade, industry and commerce of the country. When the question under consideration is one of railway extensions or railway tariffs, or of the merchant-shipping or cus-

toms, of preferential tariff or trade, or of currency or banking, these associations are invariably consulted and their views receive careful and sympathetic attention at the hands of Government.

Far different, however, is the case with Indian interests. These interests, though they constitute the central factor in the position and have the first claim on the consideration of the authorities, are nevertheless left to lie and suffer in the cold shade of neglect. The Indian agricultural and industrial communities have no press to assist them with its advocacy, and but a few feeble organizations to represent their views or urge their claims. They have no representatives of their own in the Legislative Councils; they are seldom if ever consulted by Government or taken into confidence in reference to these industrial matters and are otherwise denied any determining or consultative voice in any form or at any stage in the final decisions of Government.

We have here certainly a most anomalous position of things. The Indian people are the people primarily and solely concerned in the matter: it is their interests that are affected, and it is their economic future that is at stake. It is for them and for them alone that all this action of the State in the economic sphere is intended. And yet, it is precisely they who are left out in the cold and made to stand outside the pale, while Government is glad to accept help and advice in its work from every other quarter, and listen to every other voice!

The field of work here is the people's own, and it has to be borne in mind that such protective intervention on the part of the State in aid of the people's efforts is a purely optional function and rests only on a moral obligation. And if the Government of India goes out of its proper line of administrative duty and undertakes economic work which does not fall within the limits of its necessary functions, it does so, because the people, on whose behalf it is undertaken, are unable—through whatever cause—under present circumstances to do without such State-help. This is the *raison d'etre* of such State-effort and its justification. As soon as the people are able to help themselves and safeguard their interests by their own unaided efforts, the necessity for State assistance ceases, and Government will be bound to withdraw from the field. State-aid thus in this economic sphere comes in only *pro tempore* and *pro bono publico*; and in taking up this duty, Government places itself for the time being in the position of a *trustee* and *a*

guardian of the people's interests. It is obvious, that in order to be able to properly discharge its trust and for the good of those on whose behalf it exercises it, and to take effective practical measures with a view to that end, it must needs have correct and accurate knowledge as to what their difficulties are, what impediments lie in their path of advance, where and in what ways they require such State assistance. Without such knowledge, its action—however well-meant—might conceivably proceed on wrong lines and fail in its intended object. The Government of India, however, thinks fit to deny to itself the advantage of such close touch with the people vitally interested and that, too, under circumstances under which it needs it most, and seek help and advice in the work chiefly from those who can have little or no knowledge of the people, their wants and wishes, and whose interests, besides, are not infrequently in conflict with theirs.

The result is as might be expected. Under such foreign advice, guidance and inspiration, there is a grievous deflexion of the entire action of the State on the economic side—a deflexion against which the nation is entitled to enter its respectful but most emphatic protest. A new ideal seems to be aimed at—the ideal of an Industrial India moulded and developed on European methods—not by the energy and efforts of her people, but by foreign enterprise, and objects are proposed other than those connected with national advancement. India is looked on as a "material asset" of the Empire of vast potential value, and quite in the spirit of the Colonial system of the 18th century and its underlying ideas, is sometimes spoken of as a "vast property." It is a land of inexhaustible resources and there is no finer field in all the world for British enterprise. The Indian people are no doubt good agriculturists, but are "incapable" of any other or higher effort; and if the splendid wealth of the country is ever to be developed, it can only be by the energy and resourcefulness of foreign enterprise. British enterprise has achieved such marvellous success in the development of Canada, Australia and New Zealand, what ground is there for doubting that it would obtain similar success in the Indian field? The English exploiter, with his Free-trade experience of English industrial life, does not require any adventitious aid from the State; but the State gives it—to accelerate the movement of advance and to shorten the preliminary period of trial and failure. And when the industrial field is thus successfully worked and developed, the

people of the country would come in for their share in the resultant prosperity.

Some such considerations would seem to govern the new economic policy of the State. And so inspired and guided, what wonder if the entire scheme of State action in the matter is being planned out on lines, and State-aid rendered in forms and in ways, which have been found so successful in the development of the Colonies—but which far from benefiting us—the people of the country—who, by reason of their general economic unpreparedness, are unable to take any active part in such work of material development, only serve to help the foreign exploiter and promote the progress of his enterprise? And it looks as if the whole splendid machinery of scientific inquiry and expert advice which has been recently created by Government to assist it in the work were being utilized in the same direction. The people of the country are left out of account in the general scheme; the requirements of their economic present and future are ignored; the peculiar disabilities under which they labour and which prevent them from taking their proper share of the work are lost sight of; and what is still more regrettable,—no comprehensive action is taken or even proposed to lift them from their present helplessness and fit them for the work that awaits them and relieve the foreigner of the burden. The resources and energies of the State seem directed to one end and one only—the industrial developement of the country—irrespective of any considerations of means or agency. The material progress of the country—so helped—is proceeding rapidly and on all lines. Only we, the children of the soil, have little or no share in the advance. This is the saddest feature of the situation and fills us with the gravest misgivings.

Such deflexion of State action and its results are alike deplorable, and seem to point to a serious defect in the machinery of expert advice that there is at present to assist the Government of India in these matters. At all events it is clear that the scheme of State-aid—framed under the influence of distorted views and false ideals—requires not only a modification but a radical change. Evidently the industrial development of a country can have no economic value and no permanent result unless it is the work of the people themselves. The industrial field is theirs—by right of birth; and theirs is the duty, as theirs is the privilege to work it. It is their national possession, their national heritage, which they are bound to maintain intact

and pass down to those who come after them unimpaired, if not improved. It is the one provision that exists for the varied wants of coming generations. Foreign exploitation—whatever its extent and whatever its success—can at best be regarded only as *pioneer-work* and useful as paving the way for the eventual progress of indigenous enterprise, and must in no case and under no circumstances be suffered to supplant and supersede it. A scheme of economic development—and that, too, with State assistance—in which the work is in the main left to foreign enterprise, and in which the people of the country have no higher role assigned to them than that of labourers—hewers of wood and drawers of water—is a scheme of State-aided foreign exploitation—which has no justification in any considerations of national equity, necessity or expediency, and must carry with it its own condemnation. The work is emphatically and by every moral right ours; ours are the interests vitally concerned; for we must achieve our salvation by our own efforts in this as in so many other departments of national life. In our present economic weakness, however, and in the first stages of trial and struggle, we require as an indispensable condition of success, the guidance, the lead and the help which the State alone can give us. Looking at the question from this point of view, we submit that a new departure is absolutely needed in the existing plan of State assistance—a departure on lines more in harmony with our wants, and calculated to bring us relief and help where needed most and in the right way, and give us the requisite training as a nation to enable us to rise to a higher level of economic effort, and in course of time, resume our proper place among the great industrial nations of the world. As an indispensable preliminary to so fundamental a change in the programme of State action in the economic sphere, we would humbly suggest that the Government of India should have with it—available for purposes of consultation—and side by side with its departmental Board of Scientific Advice—another independent and non-official Economic Board—constituted on the plan of the Prussian Economic Council*—a Board composed under a double system of election and nomination—of representatives of the various industrial classes in the country—duly qualified to speak with authority from

* "The Prussian Economic Council consists of 75 members, of whom 45 are recommended to the Government for nomination by representatives of trade, industry, and agriculture and forestry (15 members each); while 30 are called by Government, 15 at least of these representing the artisan and labour classes. Election is for 5 years." The Council was established in November, 1880.

personal knowledge and experience and give competent and responsible advice to the Administration in respect of the various practical measures under consideration. Such a Council need not be at the start anything more than a purely *consultative* council like its Prussian prototype—giving advice on economic questions, and without consulting which, as in the case of the Railway Board in respect of its deliberative functions, Government would not take any decisions.

Already in agricultural matters annual conferences are held in various Provinces between officers of the Agricultural Department and representatives of local agriculture—conferences which are by all concurrent testimony found so useful. The principle underlying such popular consultations in matters so vitally touching the well-being of the people, is officially admitted to be a sound principle, and the proposed Economic Board would only give it a wider and a more general extension, and in a more permanent shape. If such a Council of advice in matters economic has been considered necessary in an advanced state like Prussia, and that, too, by no less a statesman than Prince Bismarck, how much more necessary is it to have one such for India where the problem that confronts us is infinitely harder and more complex? Surely the day is gone by when the rulers could securely live amidst the clouds of Olympus and issue *Firmans* for the guidance of their subjects. They must now in these prosaic times descend from the celestial heights and come to the haunts of men and listen to what they have got to say as to their wants and wishes. Even the British Government in India is no exception.

In Prussia—where the Economic Council was constituted in 1880, the question before the Prussian Government was one of Protection to Prussian industry against the perils of unrestricted foreign competition, and even so masterful a Chancellor as Prince Bismarck, the great Empire-builder, considered such a standing board of economic advice to the Administration essential to the successful carrying out of the new policy proposed. In India the task before the Government and the country is one of immeasurably greater difficulty—it is *a rebuilding* of the entire industrial life of the nation on the newer and more solid foundations. Such a work of general industrial reconstruction must in any country be a work of formidable difficulty. In the case of India, the difficulty is greatly increased not only by the vastness of the area to be operated upon but also by the heavy incubus of a chequered past to be removed

before the way could be cleared, and by the complexity of the conditions which surround the practical endeavour. It is undoubtedly the work of the people themselves—a work which they must carry out by their own efforts. But the fact that in their present economic prostration and helplessness they are unable to accomplish it unaided—for themselves and by themselves,—and being so unable, starve and suffer, imposes upon the British Government of the country, as representing a higher civilization and charged under Providence with a nobler imperial mission than was ever entrusted to the ancient Romans, a most solemn obligation in this regard—and obligation to render to their subjects all the aid and helpful guidance it is in their power to do—in achieving their economic salvation. And in the discharge of such an obligation, no responsible British Administration will, we venture to think, deny to itself aid and advice from the people concerned and their leaders—such as the proposed Board of Economic Advice would be the means of supplying.

Besides, the constitution of such a Council of Economic Advice would be a most fitting supplement to the magnificent machinery of scientific enquiry and technical advice which Lord Curzon's Government has created to assist the Administration in this economic work, and supply the one missing link in the great organization. The scientific staff is already strong—and only requires the addition of a few experts in fisheries, scientific forestry and irrigational engineering to give it the necessary completeness. The Boards of Scientific Advice are well-organized and leave little to be desired. The new Ministry of Commerce and Industry places at the command of the Government of India the highest technical and administrative talent to advice and assist in framing practical measures. There is, further, the touch with the representatives of British capital and British enterprise in the country. But one most important link is still wanting to complete the chain and strengthen the imperial organization. Some machinery is required by which Government in their Department of Commerce and Industry can ascertain at first hand the views of the Indian agricultural, industrial and merchantile communities, so vitally interested in the matter. In the absence of such an agency, there can be no living touch with the hard concrete realities of the situation, and the one central element in the question—and that, too, of such essential importance, and without due regard to which no practical decision can safely be taken—*viz.* the views of the people concerned—is likely to be oftener that not overlooked.

The proposed Economic Council is intended to supply this cardinal defect in the existing organization.

Such a Board of Advice constituted, Government would get into close living touch with the facts of the industrial life of the country, and would be in a position to know what the difficulties are that beset the path of indigenous enterprise—where its weaknesses lie—and at what points it requires nursing and fostering—and with such knowledge, to grasp and appreciate the general situation and its needs, and frame its programme in accordance therewith.

At all events, our national requirements in this respect—which are so numerous and so urgent, but which at present receive such scant notice at the head-quarters of the Imperial Administration,—would receive their due consideration. There is, for instance, the first and most urgent of our wants, and that is in respect of general and technical education. After a century of British rule, we have to note the distressing fact that we have yet a bare 5 per cent of the population able to read and write. It is clear, that no great advance is possible with such

Population (1901) 293·3 millions
Literate 15·6 ,,

} general illiteracy and the moral helplessness it implies—in this

as in other lines of national improvement. Universal Education—whether on the voluntary or on the compulsory principle—is what we most sorely need to give us the requisite leverage for a progressive movement. So, again, it is regretted that we have not yet in the country one single institution like the Tokio College of Engineering in Japan—to give instruction to our aspiring youth in the higher branches of Science and Engineering. The time is surely come when it is necessary for us to have one strong and well-equipped college of Physical Science and Technology. There is, next, the question of the existing land revenue assessments, the crushing incidence of which has at present such a depressing effect on the premier industry of the nation. There is a general consensus of opinion that some fiscal re-adjustment is absolutely necessary to give relief to the cultivating classes, and put the industry on a proper plane of efficiency. Mr. O'Conor, our former Director-General of Statistics with the Government of India, suggests a 30 per cent reduction in the existing land revenue demand all round in the temporarily-settled Provinces—notably Bombay and Madras. There is, again, the question of banking and the re-organization of rural credit. There is but little capital in the country available for industrial efforts and as to what little there is, we have

yet no proper means of marshalling and mobilising it for the purpose—such as for instance exist in Japan. Further, there is among the people a most lamentable want of knowledge about the material resources of the country. In regard to mineral wealth, for example, we doubt if one in a thousand can tell where lead and copper exist, manganese and chromite are found, or where mica and asbestos are worked. The records of the Geological Survey, which contain such invaluable knowledge on the point, are all in English as also that comprehensive work of reference—Dr. Watt's Dictionary of Economic Products. We have got no vernacular translation of these works for the use of the industrial classes; and why not, is the question that is asked. In dealing with these and such other questions, we think, the advice of such a Council as we propose would be of the greatest value to the Administration.

But, further, such a Council of Economic Advice would be a most useful link between the Imperial Administration and the industrial classes in the country. No such channel of communication at present exists. There are just now so many special inquiries going on in various parts of the country under official experts—enquiries regarding sugar, tobacco, silk, chrome leather work, indigo, &c.; and yet the people know little or nothing about these expert inquiries or the results reached. Besides, these and such other lines of scientific inquiry on technical research are at present being opened up in response to suggestions from the British industrial and mercantile community, while the people of the country, whose requirements in respect of such scientific investigations of an economic nature are so numerous and so varied, have got no means of taking any effective share in such initiation. We trust, they would find in the proposed Council a useful body through whom they could place themselves in communication with the expert Departments under the Government of India.

Moreover, under the *Swadeshi* impulse there is now a general awakening in these industrial matters throughout the length and breadth of the land—a new stir in men's minds—of

such happy augury for the future. The air is full of movement and change, and it is evident, that we are on the eve of a new era in the economic annals of the country—the uprise of new ideas, new hopes, new aspirations—and active and vigorous efforts on all sides to go on on the path of advance. And it seems to us important that the Government of India should be able to place itself at a time like this at the central point of vantage on the line of march in order to give to the new national movement the proper directive guidance and stimulus which it alone can give. Already a comprehensive constructive policy of State-aid in support of such an economic progress of the country has been planned out with such prescient statesmanship by Lord Curzon's Government and a splendid organization of inquiry and technical advice has been created with a view to enabling the authorities to carry it out. And it seems to us that the help and advice of such an Economic Council as we propose is necessary, as calculated to bring the Imperial Administration into living contact with the industrial system of the country, enable it to appreciate the forces at work and intervene with effect—and exactly at the points where such intervention would be most useful.

Such are some of the considerations which lead us to suggest the formation of such an Economic Council for India. What the precise constitution and functions of such a Council should be, are matters of detail which it would obviously be premature at this stage to discuss. We would only say that such a Board of Advice to be really serviceable and fitted to fulfil its duties with efficiency must be a strong, independent and, as far as possible, representative Board. And we have no doubt that such a Council of Advice would be on the one hand of great help to the Government of India in carrying out its policy of State-aid as at present conceived and chalked out, and on the other of incalculable advantage to the whole industrial population of the country.

And, finally, there is every reason to hope that thus helped and guided by the State on the one side, and with the moral leverage of the new *Swadeshi* sentiment of such force and

strength, India would be able to enter upon a career of industrial advance with an organised vigor and a well-directed energy which would promise the happiest results, and, before many years have passed away, to claim her proper place in the forefront of the world's progress. Altogether all indications concur that this Land of Promise of ours has an economic future before her brighter and mightier by far than even her golden past—great though that is—and that the ideal of *Swadeshism* is not the baseless fabric of a dreamer's dream—but a positive certainty within measurable distance of realization. Here we conclude, and in conclusion we would express a confident hope that the suggestion made in the foregoing pages regarding an Economic Council for India—to advise the Imperial Administration on economic questions—will receive sympathetic consideration at the hands of the public.

O Land of lands! to thee we give
Our prayers, our hopes, our service free;
For thy sons shall nobly live,
And at thy need shall die for thee!

MINING, METALLURGY, MINERAL AND METAL WORKS.*

[By Rao Bahadur G. V. Joshi, B. A., *Head Master, Government High School, Satara.*]

These constitute an important department of national industry, and in any scheme of economic revival and reform, are entitled to a prominent place. They present a most fruitful line of effort, and suggest a boundless vista of possible development. Our mineral wealth is immense; and there is no sphere of industrial work in which the openings are so many, and the prizes so great. It was at one time a flourishing industry in the land, giving employment to a numerous section of the population. But it has since shared the fate of so many of our other industries, and perished in the general economic cataclysm that has swept over the land, sending our miners to the plough, or forcing them into the ranks of landless and casual labour. The field, however, is there—vast and rich—open to our enterprise; and it rests with us to properly work and develop it. The economic need is imperative for the endeavour, and we have at present unrivalled opportunities which may not always recur. And now that there is such a national awakening to the economic situation in the country and its necessities,—there is, we submit, no more urgent or important question that can engage the deliberations of the Conference than that which has reference to the rehabilitation of this ancient and glorious industry. As a humble contribution to such a discussion it is proposed in the following pages to submit a brief general survey of the position as it at present exists, and respectfully offer a few suggestions with a view to practical action in the matter.

Our mineral deposits are rich and varied. We have diamonds and rubies, gold and silver, copper and lead, iron and coal, mica and aluminium, marble and lime-stone, and in fact every useful mineral we need for our purposes. As Mr. Ball puts it (Ec. Geol., p. 1), "Were India wholly isolated from the rest of the world, or were her mineral productions

*This paper was submitted to the Indian Industrial Conference held at Benares in December 1905.

protected from competition, there cannot be the least doubt that she would be able, from within her own boundaries, to supply very nearly all the requirements, in so far as the mineral work is concerned, of a highly civilized community."

(*a*) In India *diamonds* occur over three wide areas:—(1) The Eastern side of the Deccan from the Penner to the Sone, (2) Madras, Cudapah, Karnul, Ellore, Krishna and Godavari basins, and (3) Chhota Nagpur and the Central Provinces to Bundelkhand. They are found in alluvial deposits—in beds of sand and clay, in ferruginous sandstones and in conglomerates. The best diamonds are those from the Krishna district and from Panna in Bundelkhand. The matrices are still undiscovered. The surface working in several parts of these areas show signs of exhaustion—and indeed large diamonds have not been found for years. Both practical and scientific opinion, however, leans to the view that rich beds lie below as yet untouched. Considerable tracts in the Madras Presidency of the diamond Banganapully conglomerate are still untried. There are besides lare conglomerate beds in the Krishna district to which belonged the old mines of Collur and where the Kohinoor was obtained. The Ramalcottah and Banganapully mines are still worked, and yield a remunerative supply of small and rough diamonds. There are promising areas in the Nizam's dominions which the Deccan Mines Company has recently had investigated and reported on by a distinguished expert. In Bundelkhand there are the Panna mines. The ground here consists of ferruginous gravel mixed with reddish clay which is washed for diamonds. The matrix evidently lies deeper. There is a still more important tract lying north-east of Panna where large diamonds though not of the first water are obtained; and here, according to Pogson, "inexhaustible strata producing diamonds exist." Presumably as in South Africa, so in these Indian diamond tracts, the workings have hitherto been confined to alluvial deposits, sandstones and conglomerates. Apparently the eruptive detritus of low-lying inferior rocks spread over the river valleys, and it would seem necessary to extend the search to greater depths and through "pans" or "pipes" running down into the inferior strata through which volcanic matter has forced its way to the surface bringing diamonds with it from some lower matrix. There can, however, be no doubt as to the vastness of the treasure that lies hidden here in these diamond fields; and science will guide effective search. Our gold deposits are even richer and more extensive.

(*b*) *Gold* occurs in India in the quartz reefs which traverse the metamorphic and sub-metamorphic series of rocks, in the alluvial deposits resting on these rocks, and in places in chloritic schists and quartzites and certain forms of gneiss. All along the foot of the Himalayas from West to East, the territory rocks which flank the bases of the hills are auriferous, the gold obtained being all detrital, derived from the crystalline metamorphic rocks of the higher ranges. In the Punjab, most of the rivers and streams—whether rising in the higher or lower ranges—contain gold. In Assam, there are auriferous deposits of considerable economic value. Most of the streams contain gold-bearing gravel—the Subansiri and Desovi rivers particularly. In Chhota Nagpur gold occurs in considerable tracts, the richest deposits being in the north of Singhbhum and the South of Manbhum in alluvial sands, gravels, and conglomerates. At Sonpet there is what looks like a fine quartz matrix. By far the most valuable deposits, however, are found in Southern India. In Malabar and the Wynaad the metal occurs in the reefs or large lodes of quartz, in the leaders or spurs from them and in the casing rock. Mr. B. Smith's report of 1879-80 mentions a tract here some 510 square miles in area, in which there are 200 out-crops, richer and wider than in any portion of Australia. In Mysore, the Kolar gold fields are well known, and their success proves that gold exists in richly paying quantities in many of the lodes running through the Dharwar schists, and lodes of equal richness exist elsewhere, too, in the series. And in the opinion of Mr. Foote, the mining operations at present in progress tap only to a small extent the gold-bearing rocks of Mysore. Over the whole extent of the Province from North to South run well-marked bands of Dharwar schists so rich in auriferous deposits. The Kolar band is only an out-lier of limited extent. Of the great bands traversing Mysore, the western is said by Mr. Foote to be the largest and least known, being covered by the dense forests of the Western Ghats. In the Bombay Presidency, the district of Dharwar is rich in auriferous deposits which are found in these district series of rocks. Lastly, we have gold sands in so many of our rivers.

(*c*) As regards *Copper* it is not an extensive deposit, but where it occurs, it is of considerable richness. It occurs both in the older crystalline metamorphic rocks and also in several of the groups of transition rocks, *e. g.* in the Cudapah and Aravali series. The most extensive copper deposits are in the district of Singhbhum and the State of Dalbhum. Copper ores

occur in the Madras Presidency in the districts of Cudapah, Karnul, Nellore, in Rajputana, in Ajmere, and in several Native States; in the United Provinces, in Kumaon and Gurhwal; and in Bengal, in the Hazaribagh district.

(*d*) *Silver* is a deposit of still more limited extent. It seldom occurs native, but is found alloyed with gold as in Mysore in some places, or associated with lead and copper. Argentiferous galena abounds in the districts of Cudapah and Karnul in the Madras Presidency and also in the Bhagalpore division of Bengal. Native silver in small quantities occurs in the Kappalgade hill streams in Dharwar in the Bombay Presidency.

(*e*) Passing on to *Iron*, we find, our supplies of this most useful of minerals are of surpassing richness in extent in both the British Provinces and the Native States. Indeed there is not a district in the country where iron ores are not to be met with in more or less abundance. In parts of the Peninsula, the deposit is simply magnificent—far even beyond the dreamer's dream. In the Salem district of the Madras Presidency, the development of the ore is on a scale of unparalleled magnitude, whole hills and ridges being formed of the purest varieties of it; the deposits are not lodes but true beds of marvellous extent and thickness, and the ore obtained is of the best quality and in quantities to be estimated only in thousands of millions of tons. In the Chanda district of the Central Provinces, the iron ores exhibit wonderful richness and abundance. Near Dewalgaon, there is a hill named Khandeshwar which is 255 feet high and the whole mass is laden with ore enough to furnish the whole of India with iron for years. The iron ores of the Raniganj field in Bengal occur in iron-stone shales 1,400 feet thick; and in case of iron works being established here, regular mining for years would not be necessary for a long time. Even in Sind we have masses of magnetite and bands of brown *hæmatite* of considerable richness. In the State of Gwalior remarkably rich deposits occur; and so do they in many other Native States.

(*f*) As to *Coal*, India possesses extensive stores none belonging to the carboniferous period. The whole deposit as far as ascertained, occurs in the rocks of the Gondwana System; and the coal measures exist only in the Central and North East Provinces, in Western Bengal, the lower Provinces and the Nizam's territories. The coal area is estimated at 35,000 square miles, and the amount of coal at over 40,000 million tons. The

most extensive coal-field is that of Raniganj situated on the rocky frontier of Western Bengal, 120 miles from Calcutta, the available coal estimated at 14,000 million tons.

Space does not permit of any more details being added here regarding these mineral deposits. Besides, the work of exploration is still incomplete, whole areas lying untouched, particularly in the Native States. Malwa and Kathiawar, Cutch and Bundelkhand, Rewah and the Nizam's dominions are in this respect more or less still a *terra incognita*. Enough, however, it is hoped, has been said to convey some general idea of the practically boundless wealth we possess, hidden in the Earth's Crust. Broadly speaking these mineral deposits constitute for us an under-ground store of capital of immense value (our coal deposit alone is worth 20,000 crores rupees). Nature's generous gift to us which—if we should only know where and how to find them and turn them to use—would prove a most important help to us in our future industrial developments. Iron and coal are the ground-work of England's material prosperity; in France and Germany, they are also the main foundation on which the new industries have been built up. In Australia, it is to their mineral resources that the colonies owe the proud position they hold in the Empire as the richest colonies. Here gold was first discovered in 1851; and from that year to 1891, 368 million pounds sterling worth of the metal was obtained. Silver to the value of 29 millions, copper 30 million pounds sterling, and tin 12, together forming a total mineral output during the period of close on 440 million pounds sterling: and an economist remarks, the *development of manufacturing* and other industries in these colonies followed as a natural sequence to the acquisition of so rich a treasure. In India, our hidden heritage, to be sure, would not prove of less service.

So richly endowed by the bounty of Nature, India from the earliest times of which there is any record down to within a few years of the British occupation, was one of the foremost mining countries in the world. She was able not only to meet from her resources her own local wants, but also sent to far-off lands some of the finest products of her mines. For centuries and up till 1727 when Brazil entered the market with its cheaper stones obtained from the mines of Minas Geraes, India alone supplied diamonds to the world. The Koh-i-noor of the British Crown, the Orloff in the sceptre of the Russian Czar, the Pitts diamond among the State jewels in France, and several others in the possession of the princes and magnates of Europe, are from our

mines. China got her silver from us. Our iron was held to be of superior quality and was much sought after by the foreign merchants. Indian steel was highly prized for its fine temper and found ready sale in the markets of Persia and England. Fire-arms and swords damascened on gold and covered with gems passed across the frontiers. Our damascening on iron and steel as turned out even to this day commanded high prices. We had iron foundaries in the country capable of turning out work like the wrought iron pillar close to the Kutub at Delhi, the iron girders at Puri, the ornamental gates of Somnath, the 24 feet wrought iron gun at Nurwar, which afforded a theme of wonder to succeeding generations.

Megasthenes wrote some 300 years B. C.:—"India has underground numerous veins of all sorts of metals, for it contains much gold and silver, and copper and iron in no small quantity, and even tin and other metals which are employed in making articles of use and ornament as well as the implements and accoutrements of war." And, so contained India for centuries afterwards. All accounts go to show that this mining and metal industry was in those days a large and flourishing industry in the country. We had a numerous population of miners and metal workers and every branch of the industry was more or less strongly represented. The work was carried on an extensive scale and over large tracts; and our miners—though without outside light or guidance—whether working for diamonds or gold, copper or iron, showed remarkable skill and resource in their processes and great boldness and expert knowledge in their operations, of the capabilities of the tracts in which they worked.

Diamond diggings were extensive in the diamond tracts. Traces of old workings are numerous. Pits in gravel and shafts of varying depth with horizontal galleries run gangue to get at the seams of diamond gangue are still to be seen. Even dredging was not neglected where necessary. There were diamond mines in the Cudapah, Karnul, Goda and Krishna districts in the Madras presidency, in the Chanda district and in Chhota Nagpur. In Karnul up till within a few short years ago there were over a dozen places where we had both rock workings and alluvial washings for diamonds. Chenur and Cunnapurtee in Cudapah, Manimadagu in Bellary, Colur, Partial, Meluvilly, Sambalpur, Jashpur, Panna were among the leading centres of the industry. There was diamond polishing in most of these places also.

Gold mining was perhaps—next to iron and lead—the most extensive branch of the industry giving employment to numerous classes. Malabar and the Wynaad, Mysore, Dharwar, Chhota Nagpur, Singhbhum, were among the chief seats of gold mining. The miners quarried on the outcrop or sank shafts with adits. In the Malabar they cut them in hard solid quartz, 60 to 70 feet deep, with smooth and plumb lines, and pounded the stone with hand mullers. In Jashpur on both sides of the river Ebe the tracts were simply honey-combed with shafts sunk by successive generations of gold seekers. In parts of Chhota Nagpur stone crushers are to be met with in numerous villages, which were used by the gold miners. Amalgamation (and the use of mercury) was well known. Gold washing was an important industry. In the Punjab, in Assam, in Orissa, in the Central Provinces and even in Kathiawar and Rajputana, as also in Chhota Nagpur, large numbers lived by washing the sands of rivers and streams for gold. In Assam not long ago there were some 15,000 to 20,000 persons engaged in this gold washing.

Silver.—There were numerous mines of silver in Southern India, in the districts of Cudapah, Karnul, and Malabar. Silver was extracted from argentiferous galena at Jangamrazpilly in Cudapah to a large extent. There was also some silver working in Rajputana and in the Bhagulpore division in Bengal. There were silver mines in Assam, too.

Copper.—It was extensively worked in Karnul, in Bellary, in Nellore where 'hills' of copper-slag occur to attest the extent of old workings, in Hazaribag in Bengal where countless mounds of slag are still to be seen and in Rajputana and in many Native States.

Lead.—According to Mr. Ball from whose invaluable work on the Economic Geology of India these details are quoted, there is probably no metal in India mined and worked to so large an extent except iron,—and we have old workings scattered in so many parts,—in Southern India, in Rajputana, in Bengal, &c.

Iron and Steel.—This represents the largest department of our old mining and metal industry. There is not a district in India—scarcely a village—but had more or less iron smelting and iron work. In North Arcot, for instance, in 1885 iron ore was mined in every taluka and there was iron smelting in 86 villages. Bangalore was noted for both iron and

steel. Steel-making at Nirmah in the Nizam's dominions had a world-wide reputation. Narsingpur in the Central Provinces turned out excellent iron work. In Alwar there were numerous furnaces. In the Punjab there were large iron and steel works in several places.

Zinc.—In Rajputana at Jawar in the Udaipur State, it was largely worked; and so was *Tin* in the Hazaribag district in Bengal—some 40 furnaces at the village of Naranga alone.

Corundum (including ruby, amethys, sapphire, topaz).—It was extensively mined in the Bellary district, in the Hindapur Taluka in Madras and in the Native State of Rewah where the supplies are said to be simply inexhaustible. Here the diggers had even to use light in underground operations.

Emeralds—were mined at Ajmere; beryls in Madras; garnets in the Aravalli schists in the Kishengad State, where the outcrop was quarried for over a mile.

Glass.—India abounds in materials suited for the manufacture of glass; and beads and bangles, bottles and fancy articles were made at many places. At Kapadwanj in the Kaira district in Bombay, much good glass-work was turned out.

Mica.—It was mined in the Hazaribag district in Bengal and in the Gaya district in Behar, where at the village of Rajowli, mines were worked yielding 400 maunds of Mica (23,000,000 plates).

Alum.—It was largely made from Alum shales in the Shahabad district in Behar, at Khetri and Singhana in Rajputana, and in Cutch and Sind. In Cutch, before 1818, the export of alum amounted in some years to several hundred thousand maunds.

These brief notes will, it is hoped, suffice to mark the character and extent of industry that once was ours in the days that are gone. It is no fancy-picture painted by some patriot's fond imagination but a faithful portrayal based on authentic records. And so was India, not a fancied or fabled India, but the India of fact and reality, the land *par excellence* in the Old World of mines and mineral, of diamonds and gold, silver and copper, iron and zinc, affording varied and honourable

employment to numerous classes of her gifted and toiling people who were not then, as now, for the most part passed through the Procrustean process and reduced to the tillers of the soil, putting the seed into the ground and praying to the God of the Skies for rain for their crops.

And be it added, to the honour of our old miners, that a position of such strength was maintained in this important department of national industry in the face of heavy odds. The period was one of unrest and commotion, of change and strife, and the land had no peace and settled Government. And it was due mainly to the energy of our workers that the industry, which might have possibly perished in the general crash, was preserved in the condition in which we find it.

Even so, the position of the industry was anything but secure. Analysed, the strong and weak points might be thus stated:—The strong points were chiefly these:—

(*a*) The hereditary skill of the workers, as shown in their mining operations, quartz-crushing and shaft-sinking with adits, &c., and in their metallurgical processes, amalgamation, steel making, &c.

(*b*) Their accurate knowledge of the mineral deposits, of the tracts where they worked, the position, direction, thickness, dip and strike of the veins and lodes, a knowledge evidently acquired by years of patient search and prospecting.

(*c*) The force of habit and conservative tradition which led them to hold out under great discouragement.

(*d*) And their patient perseverance and energy.

(*e*) An assured market for their productions, there being no such competition from outside as now.

As *per contra*, the weak points were many and serious, these *inter alia*:—

(*a*) The industry was relegated for the most part to the lower classes, *e. g.*, aboriginal tribes in Chhota Nagpur and Bundelkhand, the Kols and Gonds who did most of the diamond-digging; the upper ranks, men of capital, intelligence and enterprise, holding aloof.

(*b*) The workers were mostly poor people, who worked on borrowed capital, and the money-lender dictated his own terms. And they had to be content with scanty earning, sometimes not more than a bare subsistence.

(*c*) They worked individually, each on his own account. There was no co-operative effort in any form or shape. They had their castes no doubt; but they gave them only moral support, and were much like the Regulated Companies in England.

(*d*) They had no education whatever. They had only to trust to their intuitive perception, their traditional knowledge and inherited skill. They had not the aid of science. And geology was in India a science practically unknown. And their operations could not extend to any great depth, *e. g.* in the gold diggings in Mysore.

(*e*) They had no requisite machinery and appliances, say, for drawing or dredging, for boring or driving levels, for lighting or winding. In the case of copper mines, for instance, the access of water proved fatal to extended working. Quartz-crushing was always very hard work on the gold-fields.

(*f*) Their methods were primitive and involved waste. In Orissa, for instance, in many workings the slag often contained 30 to 40 per cent of the metal. So, again, they used only charcoal. The needful supply of fuel, however, was not always available.

(*g*) These miners and metal workers had no aid whatever from the State. The rulers in those by-gone days had other ambitions and other ideals than to help their subjects in their industrial pursuits.

(*h*) On the contrary, the taxes and the royalties they levied were sometimes too heavy a burden on the industry. And even the conditions of the mining leases were hard. In the Bellary district, for instance, in regard to diamonds these were—(1) all diamonds weighing one pagoda and upwards to be the property of Government, (2) on others a royalty of 2½ per cent, (3) a heavy monthly nuzzur, besides. At Sambalpore, the miners had

to surrender the diamonds they found to Government, contenting themselves with the gold they could wash out of the gravel.

On the whole, putting the strong and weak points together, it is clear that the position of the industry was radically one of weakness. It lacked organization, rested on a shaky basis and without the necessary resources of capital and proper direction. There was no attempt at improvement; and in the then state of things none was possible. Evidently an industry so circumstanced could only stand as long as, but no longer than, the general conditions of the world's competition permitted it to stand. And we held our own only so long as things were not much better elsewhere. The century (1756-1857), however, which witnessed the final passing of India under British rule, was in Europe and America a century of unparalleled growth and progress. The old order of things gave place to the new; science advanced, commerce expanded, and the arts improved; and economic developments followed in these countries of a character and a magnitude which had no precedent in the annals of the world. The mining and metal industry shared in this general movement of progress. Geology was extensively studied, particularly economic mineralogy; and with the aid of applied science in other directions, the whole art of mining and metallurgy was revolutionized; and vast improvements were effected in methods, process and machinery; and the industry was elevated to a plane of efficiency never reached before. In India, on the other hand, we stood where we were—moving and working in the old ruts.

But a change soon came. With British occupation India's isolation came to an end; and we were placed in close commercial intercourse with the nations of Europe and America. And with the policy of the open door, and with no protection whatever, we found ourselves, to our utter consternation, face to face with an industrial competition with which even on our own ground we were powerless to cope. It was indeed a heavy shock, a crushing impact, to our old industries; and now half a century and more of such violent collision, such unequal conflict, has had its natural effect. Our industries are all but extinct and our market is flooded with foreign imports. The indigenous worker is elbowed out of the field; and the foreign trader enjoys the easy monopoly.

In no branch of national industry is the collapse of our native enterprise more complete than in this mining and metal

work. It is an awful and total ship-wreck. Only here and there a broken spar is to be met with. Some iron smelting in the remote villages; some brass, copper and bell-metal work in the towns; the making of glass-beads and bangles here and there, this is still ours. So, again, we mine some mica in Nellore, and make and refine saltpetre in Behar. This is about all that is left to us of this old extensive industry. Most of important branches are simply crushed out of existence. Diamond digging is gone, iron work and steel-making exist no more; copper mining has completely ceased; lead is little worked; and even gold-washing, which at one time was an important industry supporting thousands of poor people, is dead. In Assam where there were 20,000 persons so engaged, there are now just—3, and in all India—1,300. A few figures from the Census and Trade Returns will make the situation clearer.

Number of persons employed in this industry, including workers and their dependants:—

(*a*)	Gold washers	1,301	
	Jade and Diamond miners ...	1,271	
			2,572
(*b*)	Brass, Copper, and Bell-metal workers	2,61,622	
	Tin, Zinc and Lead	60,742	
	Workers in iron and hardware.	13,35,256	
			16,57,620
(*c*)	Knife and Tool makers ...	7,183	
	Agricultural implement makers.	2,16,931	
	Glass makers	78,152	
			3,66,266
(*d*)	Workers in gold, silver and precious stones		15,72,249

(*a*), (*b*), (*c*), (*d*), 35,38,707,* *i. e.*, 11·2 per cent of the whole population.

Thus, we have at present 3½ million persons still in this line of occupation. Leaving out, the comparatively large class of goldsmiths whose work is rather more ornamental than useful, there are just 2 millions and no more in the field, *i. e.* 1·7 per cent of the total population of the country; and this in respect of an industry one of the most flourishing and extensive! Practically, the whole old mining

* There appears to be some discrepancy in these figures.

population is forced out, compelled to quit the mines—it does not know how to work under modern conditions—and seek a living, elsewhere! What an industrial exodus before the resistless advance of the foreign exploiter who with his superior organization and resources leaves the Indian worker but little hope or chance!

And while, thus, our mining and metal work has perished, our market has passed almost completely, under the control of the foreign trader, and the *indigenous* supply, except at the village fairs, is now almost at the vanishing point. The imports, inclusive of gold and silver, were in value last year nearly 55 crores. The principal figures are :—(1904–05).

	Lakhs of Rs.	Crores of Rs.
Arms, ammunition, military stores ...	120·3	
Chemicals	69·9	
Coal, coke, fuel	49·3	
Hard-ware and cutlery	268·5	
Machinery and mill work...	437·2	
Metals	993·2	
Railway plant and stock	560·7	
Salt	71·2	
Mineral oils	327·9	
Glass and glass-ware	112·5	
Jewellery	105·1	
Earthen ware and porcelain	29·2	
Building and engineering materials ...	35·3	
Stone and marble	2·7	
Total ...		31·82
Gold and silver (net imports)		23·08
Grand Total ...		54·90

The figures speak for themselves. A yearly foreign import of about 55 crores of rupees, in respect of mining and metal work alone, while our plentiful mineral deposits lie unworked and unutilized! What a field of varied and fruitful

industry is here voluntarily surrendered to the foreign worker instead of providing these things ourselves for our own use, not to mention exports to foreign countries: we are content to get them from others, leaving them the work, the profits of such work, and all its higher benefits and let our miners shift for themselves as best they can, starve and suffer for want of employment. An old and proud nation uncomplainingly resigning itself to such a condition of things—no severer penalty can be conceived of ignorance and the moral incapacity and helplessness it induces.

Thus whether we take the census or trade figures and test the position from the point of view of population or foreign supply, we see only too clearly what a total and extensive collapse is here in regard to our mining and metal work. The field lies almost deserted and has the dismal look of an abandoned Australian digging. Our minerals are still there; our mines are there—of diamonds and gold, of copper and iron—the hidden wealth lies underground. Only we, the heirs to the treasure, are forced to quit the arena where we do not know to hold our own, and our miners compelled to betake themselves to the plough—or worse—and earn a precarious living!

Such a collapse—and of an important and extensive industry—is a fact of our present position of serious import. To the nation it means the atrophy of a fine side of its economic life—a dismemberment of its co-ordered and balanced system of industrial work, a fruitful source of wealth abandoned and a splendid field of employment surrendered to the foreign worker; to the working population, it means the loss of an extensive industry which once afforded varied occupation to numerous classes; and to the miners the loss of their hereditary employment and a compulsory resort to an agricultural life and with the grim spectre of famine staring them in the face!

There is no more feature of the present position which deserves notice. We have in several parts of the country a number of mining and metal works started and run mainly under foreign auspices on modern lines. The aggregate work—though the out-come of a series of efforts extending over 80 years and upwards,—is small, limited in scope and range and meagre in its practical results. It is, moreover, a new form of industrial activity with which we, the people of the land, are but little associated and is of help to us only as indicating an important line of endeavour in the new direction.

Taking the latest official report on Mineral Productions in India (1898–1903), we find, the total value of minerals produced in 1903 was £4,988,527 or 7½ crores approximately.

The minerals are as per margin (000s omitted). Of these, salt is a Government monopoly. Saltpetre was once a Government monopoly under the East India Company's rule, then transfered to European, firms and now, when the trade has largely fallen off, is again in Indian hands. Mica is in the hands of the native workers who hold their leases at a fixed royalty of Rs. 50 per acre. Part of the coal production belongs to native mine owners and associations. The rest of the mineral production of the year represents the results of European enterprise and capital. Leaving out of account salt and saltpetre, we have an annual output of say 6¾ crores rupees—surely an insignificant item in the industrial balance-sheet of the nation. But they are all successful enterprises conducted on modern methods, and in the case of gold and rubies yielding large dividends. They are useful to the nation as affording for its guidance a remarkable object lesson in industrial exploitation on the new lines. They are, however, too small to affect or alter the general position. The average number of persons employed in these mines is about 102,000—and work and wages for so many workers. This is all our direct material gain.

	£
Gold	2,302
Coal	1,299
Salt	366
Saltpetre ...	288
Petroleum ...	354
Rubies ...	98
Mica	86
Manganese ore	132
Jade stone ...	47
Iron ore ...	14
Graphite ...	16
Tin, Amber, Magnesite...	10
Total value...	4,988,527
Rupees 7½ crores.	

Such in brief outline is the present state of things. The picture is rather a shaded cheerless picture—the picture of a *vanished industry* once so prosperous—of *numerous sections* of the population once living in such comfort by it, forced to quit their ancestral calling, and *thrown on the land*, to shift as best they may, *of no beginnings* yet to be noticed, nor even a sign of any serious endeavour to rescue them from their fate! The few new enterprises in the country serving no such purpose, the nation looking on with apparent unconcern, no outlook could be less hopeful! Now, however, there is a turning of the tide-

With the new national awakening as symbolised in the *Swadeshi* movement there comes a glorious opening, a new prospect bursting on the view, bright with hope and promise. Things which only a short while ago seemed all but impossible and chimerical, are now well within the range of possible attainment. And there is every reason to hope that we may not have any very long to wait before some vigorous action is taken to grapple with this branch of the general industrial problem.

Such an endeavour under the existing circumstances is a duty—a national duty—which we ought not to put aside. Every economic consideration emphasizes the necessity of such remedial and ameliorative action. There is first the economic evil of a general dependence on agriculture as the one sheet-anchor of industrial life; there is next the condition-of-the-people question—the grinding poverty in which a vast mass of the population is, under the existing conditions of economic life in the country, condemned to live, imperatively demanding the opening out of diverse lines of non-agricultural employment to relieve the pressure; there is again the problem of a general re-construction of our national industrial system, of which this mining and metal industry forms such an important and integral part. There is also this further aspect of the matter. As things are, there are whole tracts in India where agriculture cannot well prosper—neither the soil and climate nor the water supply conditions being favourable for it—but which are highly mineralized tracts such as Karnul and Cudapah in the Madras Presidency; and it is simply distressing to find that no effort is made to work such tracts along the lines of development their varying resources suggest. Just as different classes of people require different lines of employment suited to their aptitudes, so, too, different tracts of country—industrially speaking—need different treatment according to their capabilities; and it is a grievous economic mistake to turn a whole country of varied physical features and diverse resources into a sheep-run or a cattle-farm, as it is, to turn a whole population of varied constitutent elements on the land; the Procrustean process is as ruinous in the one case as in the other, and does incalculable harm to the general style and tone of economic life. Karnul, for instance, in the Madras Presidency, is one of our richest Zillas with its diamond deposits and copper ores, and was at one time one of the most flourishing centres of such mining industries in Southern India. There are a number of localities in the district where numerous traces are

still to be seen of rock workings and alluvial washings for diamonds as well as of extensive copper mining operations. Now, however, there is neither copper mining nor diamond digging here and the tillage of the land is the only occupation of the people. The consequence is—the district is a poor agricultural district, ever in the grip of famine and with a starving struggling agricultural population. The same is the case with Cudapah, another Madras district, which is even worse off. To be sure, under normal conditions of varied economic development, these zillas in Southern India ought to be among the foremost mining districts in the land. Similar remarks apply to various other parts of the country.

The need for a comprehensive endeavour to initiate such varied development of the country's resources is thus obvious, and will meet with general recognition; and the revival of our old mining and metal work is suggested as one important step in the new direction.

We will now proceed to submit a few observations indicating in a general way the lines on which such revival of this mining and metal industry may be initiated. And the first question in this connection for consideration is the question of agency. What is the best and fittest agency for purposes of such work? The State, foreign enterprise, or we the people of the land, or all these together?

In this matter, the Government of India does not follow the *doctrinaire* principle of *laissez faire*. It holds, and rightly, that as a policy, whatever its adaptability elsewhere, it is altogether unsuited to the circumstances of the country. A protective tariff is of course out of the question: and the State has not even any large works of its own—if we except the Warora Collieries—and carefully abstains from starting anywhere, as for instance, in iron and steel, it might most appropriately do so. There is the sanction of precedent as well as of abstract theory for such direct intervention on the part of the State in matters industrial, and there is further ample warrant for such in the economic conditions that prevail in India. But Government does not think fit to go so far and embark upon such a course of direct action. And its consistent policy during the whole of the past century has been to look up to private enterprise to do the work and confine its own efforts to aiding, encouraging, and stimulating it in every legitimate way by the grant of liberal concessions, subsidies and advances, &c., &c.

The principle of State help and State guidance in pioneer work in the line is fully recognised; and the general attitude of the State in India in respect of such undertakings leaves little to be desired.

As for ourselves, however, it is obvious, we have hitherto done little to avail ourselves of our opportunities in the matter. We have our saltpetre refineries in Behar and Mica mines in Nellore; and we have a considerable share in coal production in Bengal. But such straggling efforts apart, our association with the new enterprises is almost *nil*. Whatever the causes of such aloofness on our part, the fact is there as stated and has to be frankly admitted.

And thus, so far, English enterprise is there and holds the field. It has been doing its work in the line ever since 1820 when the first coal mine in Bengal was opened, and the first attempt made to work iron ores on the modern methods. And during the whole of the time it has had the most active support of the Government of India. As far as this development of industry is concerned, the net result of its labours extending over 80 years and more is on the whole meagre and just touches the fringe and no more. Coal and gold, petroleum and manganese ore, gems and mica, jade stone and graphite are about all the minerals yet tapped. There are some 74 registered mining and quarrying British Companies including coal, gold, mica, &c. with a nominal capital of 3 to 6 crores of rupees. The total number of mines in 1903 was (including both European and Indian) 646, the average number of persons employed being 102,195, and the total value of minerals produced was, as already stated before, £4,998,527 or leaving out salt and saltpetre £4,367,893. This represents the total net outcome of 83 years' effort on the part of English enterprise, enjoying the cordial support of the State to develop our mineral resources. This cannot be regarded as satisfactory or in any way encouraging. But we have no right to complain. The work that has been done, deserves acknowledgment; and it is only fair to recognise that there are obvious limitations to the extension and usefulness of such undertakings engineered by foreign enterprise. The field of effort is ours, and we have no right to expect the foreign exploiter—whatever the energy he may bring to his task—to do everything for us without our aid or co-operation in any form or degree. There are further certain considerations in regard to this point which we have to bear in mind.

1st.—English industrial enterprise is justly famed throughout the world for its unrivalled energy and its splendid achievements. It has claims coming upon it from all quarters of the globe, and its help is sought in developing so many virgin fields and pastures new. Australia and South Africa, Tasmania and New Zealand, Canada and the West Indies with their immense possibilities—these and the others within the ring-fence of the Empire, and Egypt and China, and the rising countries of South America outside—with such and so many superior competing fields for exploitation, India evidently can expect to have but a limited chance. The activity of English enterprise will naturally follow the broader lines; and the chances of its taking up the work of industrial revival and development in an old country like India will be at the best remote, and this to our thinking accounts for the slow and meagre advance yet achieved in India. Take Tasmania—a poor Australian Colony—with but little hope up till 1850 when coal was first discovered, and gold two years later. The work of systematic geological exploration was commenced in 1860, and after an exhaustive survey of the mineral deposits of the island colony, English enterprise took up the work; and in 30 years' time Tasmania has become one of the foremost mining colonies in the Commonwealth taking the lead in Copper production. The progress of Victoria, another Australian colony—since the discovery of gold in 1851—has been under the auspices of the same agency simply magnificent; and the Colony is now one of the richest in the Empire with a total gold production of 266 million pounds sterling. In India such work commenced in 1820; and after 85 years the mineral production is not yet over 5 millions in value. The contrast well illustrates the point.

2ndly.—It is worth noting that when even so we get our chance, and English enterprise comes to our help, it comes to our help only in respect of the most promising lines of development. It does not take up—and why should it?—any inferior or less attractive fields. Its operations as yet extend only to a limited range; but even within the limits of that range it is to be noticed that they are confined for the most part to some of our richest tracts. Whether we take coal or gold, petroleum or gems, we find that the work of the British Companies does not go much further. Coal for instance is a well-paying mineral, but coal mining is yet limited to the Gondwana fields, whereas at Raniganj and Jherria the richest seams occur. These two coal fields produce between them over 70 per cent of our total coal production of the year. So, again, in the case of

gold the mining is practically restricted to the Kolar mines in Mysore which are about the richest in India. Eight companies are here working with a total capital of less than two millions sterling (1·8). The total value of the metal extracted from 1882 to 1903 being 18·6 millions sterling—ten times the original investment and over 8 millions sterling paid as dividends —more than four times the capital. Similarly, petroleum is worked in Burma under almost "ideal" conditions on the well-known Yenang-yaung oil field in the Kodaung tract. As to rubies, the Ruby Mines Company is in a position to pay about 18 per cent dividends. But we have not got such splendid tracts all over the country, and there are numerous areas where these and other minerals occur, but where the conditions of development are not so attractive; and they yet lie almost untouched. The gold deposits, for instance, of the Wynaad, of Chhota Nagpur and of Assam are unworked, and the Government specialist reporting on them only recommends further prospecting and trial borings. As to iron ores they still lie undeveloped, and with all the repeated attempts on the part of Government to get iron and steel works established, and an important industry developed ever since 1820, there is as yet only one British Company in the field—the Barrakur Iron and Steel Company.

3rdly.—Manifestly, such efforts on the part of English enterprise and such help rendered in respect of our industrial revival, whatever their value *per se*, can never suffice for our requirements. Ours is an old country where the lines of work and new developments lie on varied planes of prospective benefit and success, and where what is most needed is an even all-round advance. Here the work to be effected has to be steady, persistent, and all over the field. Foreign enterprise will be easily persuaded to take up the working of the Kolar mines or the Yenang-yaung oil-field; but the development of tracts less favourably conditioned like Assam, or the Wynaad, must be our work; and no foreign exploiter will assist us here.

4thly.—Further, under such a division of work as between indigenous and foreign enterprise, the inequality of the conditions of effort is only too apparent. Indigenous enterprise is placed at a serious disadvantage when the foreign exploiter is permitted to get hold of the richest tracts and it is only the less favoured that fall to the share of the native worker. The arrangement certainly involves a grave injustice, and is eventually likely to retard rather than promote the country's advance. The

indigenous worker so handicapped may not be able to take up the less promising fields which in such a case must remain undeveloped. At all events such a state of things is a great discouragement to native industrial enterprise which is yet so feeble and just taking shape and which requires for its growth all the nursing and stimulus it could receive.

5thly.—There is also, besides, this consideration which applies with peculiar force to mining industry :—As in the case of pearl and other fisheries, so in this, the supply of the raw material is a natural supply existing independently of human intervention. Further, it is a supply incapable of augmentation or replenishment by human effort. It is a *limited* treasure, hidden underground, and is in the nature of God's gift to the country where it lies, and belongs of right to the people of that country and to no one else. No doubt, in India, technically and in law, the State owns the minerals as it owns the forests, except in permanently settled tracts ; but such ownership can never be absolute. It is a trust held on behalf of the people and to be administered for their benefit. And in this view of the matter, it would appear that the mines should be in the hands of the people whose property they are, and to be worked by them and ought not on any account to be suffered to pass into the hands of outsiders. And when—and as long as—the people are not for any reason in a position to take them over, they should be held by the Crown in trust and worked as Crown mines for them. In some of the Native States the most valuable of the mines were held as the Raja's property and managed as such.

Looking at the matter from this point of view, it would seem that the working of our mines as things are is the weakest part of the existing system. Most of these mines are leased to foreign companies. They hold and work them ; we the people of the country get only a small royalty for the State and wages at the rate of 4 annas a day for the labour employed. We have absolutely no further share in their working or management. The business experience and the invaluable training all go to the foreign Syndicates. Besides as the mines are worked, and to the extent they are worked, they are exhausted and such exhaustion is a permanent loss to the country which can never be recouped. An exhausted coal-mine or a worked-out petroleum field is an irreparable loss. Take again the ruby mines in Burma : the supply of gems is not an inexhaustible supply, and when it

comes to an end, part of the nation's hidden treasure is gone, and absolutely, never to be replenished; foreign enterprise is the only gainer. Nor, again, does the existing system bring us any moral advantage. The business is all administered by outsiders in all its main departments. We are not associated with any, and the exclusive arrangement which shuts us out from all participation in the higher advantages of business discipline fails naturally to promote amongst us a spirit of enterprise. 328 prospecting licenses were issued during the years 1888–1903,—129 in Burma, 82 in the Madras Presidency, 64 in the Central Provinces, and the rest elsewhere. Of these, 64 were for search for gold, 48 for petroleum, 36 for manganese ore, 26 for graphite and plumbago, &c. But excepting Mr. Tata's in the Central Provinces, we doubt if half a dozen of these 328 prospecting licenses are held by Indians. They are for the most part in the hands of the foreign exploiters. Such is the cramping paralysing effect of the existing system of exclusive foreign exploitation on indigenous enterprise in this matter of mining.

Nothing economically speaking could be less satisfactory. In the case of this mining industry, the development of the country's resources has a meaning and a reality, when the minerals mined out go to the people and are added to their standing working reserve of wealth, and when further, such development has the effect of encouraging and stimulating their enterprise in the process. But when neither is the case, it is no economic development proper, but one of the worst forms of exploitation conceivable. And under such circumstances, every ounce of gold, every ton of coal, every gallon of mineral oil, every gem mined out which leaves the country—*is* a dead loss and without an equivalent. In commenting upon Lord Curzon's great speech at the Calcutta Chamber of Commerce dinner (February 18, 1903) over two years ago, the *Statesman* put this point with great clearness, thus :—

"In the case of the mining industry, for instance, it (*i. e.* the development of the country's resources by English Capital) means not merely that the children of the soil must be content for the time being with the hired labourer's share of the wealth extracted, but that the exportation of the remainder involves a loss which can never be repaired. Though the blame largely rests with them, we can well understand the jealousy with which the people of the country regard the exhaustion, mainly for the benefit of the foreign capitalist, of wealth which can

never, as in the case of agriculture, be reproduced. It is, in short, no mere foolish delusion, but an unquestionable economic truth, that every ounce of gold that leaves the country, so far as it is represented by no economic return, and a large percentage of the gold extracted by foreign capital is represented by no such return, implies permanent loss."

So, again, recurring to the subject a few days later, it writes (March 5th, 1903):—

"As we said in a previous article, the exploitation of the mineral resources of the country by the foreign capitalist stands on a different footing; for in this case the wealth extracted is not reproduced, and, on the not unreasonable assumption that it would sooner or later have been exploited with Indian capital, may unquestionably be said to deprive the people of the country, for all time, of a corresponding opportunity of profit. Even in this case, however, it must not be supposed that the people of the country reap no benefit whatever from the exploitation. They lose a valuable asset, in the shape of potential profit on capital, it is true; but they receive a greater or smaller quota of the value of the mineral wealth extracted, in other forms such as wages and royalties. In some cases, no doubt, wages and royalties combined are small compared with the profits of the capitalist; but these are the exception rather than the rule."

In both Japan and China under the new awakening, this undesirable side of foreign industrial exploitation in this matter of mining industry is well borne in mind, and the laws provide statutory safeguards and limitations in favour of the national interest. In Japan "prior to 1900, Japanese subjects only were allowed to undertake mining industry or become the partners or shareholders of a mining Company; but according to the amendment introduced in the same year, any Japanese subject or any Company organised in accordance with the Japanese Commercial Code may undertake mining industry in Japan, so that foreigners may now take part in the mining industry in Japan as partners or share-holders of a mining Company." (Financial and Economical Annual of Japan, No. III, issued by the Department of Finance, Tokio, 1903, p. 48). Similarly in China, "The control of mining operations is now in the hands of the Board of Commerce which has made new regulations respecting the constitution of mining and other Companies. Of the capital of any Chinese Company

not more than 50 per cent may be foreign and every foreign Company must reserve at least 30 per cent of its share capital to be taken up by Chinese." (*Vide Statesman's Year Book*, 1905, p. 529).

The reasonableness of such statutory restrictions is beyond dispute, and we wish we had same such in India. But here alike in the British Provinces and in the Native States this higher economic point of view is more or less put aside, and our mines are freely made over on lease to foreign Syndicates for exploitation. Our very rights of property in them are denied, and they are treated as though they were the mines in "No-Man's-Land." Viewing the matter from the stand-point of Cosmopolitan progress, Lord Curzon in his Calcutta speech above referred to observed in this connection :—"The whole industrial and mercantile world is one great field for the tiller to till ; and if the man who lives on the spot will not cultivate it with his own spade, then he has no right to blame the outsider who enters it with his plough." All the same, however, it is permissible to hold the view that it would have been better for us and the country if instead of calling in the aid of foreign Syndicates in the matter, the State in India had thought fit to own and work these mines itself as it owns and works the Railways and the Warora Coal mines. Similarly referring to the agreement recently arrived at with the concurrence of the Government of India between the Mysore Durbar and the Kolar Gold Mining Companies for an extension of their existing leases when they severally terminate for 30 years on condition of the payment of royalty as at present, *viz.*, 5 per cent on the gross out-put and 2½ per cent on dividends as and when declared, it would seem that the Durbar would have done better if it had decided to take over these mines itself on the determination of the existing concessions and made them over for working to some Mysorean Syndicate, or failing such Syndicate, retained them under its own administration, and run them as State concerns. In this connection it is worth noting that while the Mysore Durbar takes only 2½ per cent as its share of the dividends, the Government of India in their concession to the Ruby Mines Company in Burma claim 30 per cent of the profits of the concern as the State share. So, again, it is not easy to understand the considerations which have led the Government of the Nizam to grant large mining concessions in the Hyderabad territories to a foreign Syndicate in preference to Messrs. Tata and Company.

Be that as it may, we recognise that it is chimerical to hope to have in India such restrictions relating to this industry as exist in Japan and China. But we trust and hope that in view of some of the considerations referred to in previous paragraphs, Government cordially desires and is fully prepared to do all that lies in its power to promote indigenous enterprise in this direction. English works started and run in India by English Syndicates on lines suggested by their experience of the freer conditions of industrial life in England do not naturally require any direct aid from the State. Indian indigenous enterprise, however is just in its first stages of growth and is entitled to a larger measure of State support, and we have no doubt that when the Indians enter the field and ask for it, they will get it at the hands of the Government of India.

The main point of the argument is that this mining industry pre-eminently represents a field of effort which belongs to us and to no one else, and that we ourselves should work and develop our mines as best we can with our own exertions, as far as possible, and with such aid from the State in case of need as we may legitimately claim. In this as in other branches of industrial work it is well to bear in mind that there is no instance in history of one nation undertaking and carrying out with success the development of the industrial resources of another by such methods of direct exploitation. In the case of the Colonies and Settlements, the work there has been in supersession and exclusion of the wild aboriginal populations. And, all things considered, it is clear that self-help is for us the only safe rule of action. The field is vast and varied—only touched on the fringe.

Surely it is unreasonable to expect the outsiders to work is for us; nor—judging from close on a century's experience—does it seem likely that English enterprise would render to us the measure of assistance we need for the purpose, and even supposing that it would, it is open to grave doubt whether we should avail ourselves of such assistance and entrust to other hands the work which it is our national duty as it is our national interest that we should do for ourselves. The hard economic situation in India imperatively demands of us such an effort, and requires that we should put our hands to the plough and till the field which is ours by right of birth. And it would be little short of a dereliction of duty on our part if we should blindly persist in our present strange unconcern and aloofness, and passively look on while it was being exploited by foreign agencies.

And now the practical question for us to consider in this connection is, in what way and on what lines we may best be able to organise work of our own in this department of industry and take up our proper position in respect of its development.

First, then, as to the conditions of the effort required—

(1) At the outset it may be pointed out that with us such an effort is no new effort. Mining has been in the country an important industry for centuries, and the work before us is essentially a work of revival and restoration only on modern methods. Our old miners are still there, though not now actually engaged in the line. They have still their old traditions and, in parts of the country, their hereditary knowledge of their local mineral capabilities, *e. g.* the gold washers of Chhota Nagpur and the diamond diggers of Cudapah, and their assistance will be of service to us in the new effort.

(2) Even so, we have to remember that this mining industry differs from other industries in certain important respects. The minerals are there as a natural product independently of our effort, but they lie underground, and there is the element of chance which cannot be altogether dissociated from the effort as in the case of fisheries.

(*a*) Where these minerals occur, such as coal or argentiferous shale, in beds and seams which are constituent members of the enclosing series of rocks and of contemporaneous origin with them, the geologist is able to give us in the work of exploration all the aid we need. He can mark out for us the geological zones of their occurrence to which prospecting has to be limited. But in cases in which the minerals are to be found only in veins, lodes, or masses disseminated through various formations *e. g.*, diamonds or rubies, gold or copper, there is an uncertainty about their occurrence and extent, which science even in its present advanced stage is not able completely to remove. The veins and lodes differ in thickness within very wide limits. Sometimes they may thin out and even disappear or after a break re-appear at lower depths; their lie, their strike, their size all present variations which cannot be calculated beforehand. No doubt in certain cases there are the well-known affinities of mineral veins and lodes for particular rocks and

geological formations to guide us, *e. g.* Magnetic oxide or Specular iron ore usually occurring in the granites, or copper in slate formations. Still, chance cannot in all cases be altogether eliminated.

(*b*) There is further—in the case of both these classes of minerals—the uncertainty of the *find*. Geology and the observation of surface indications and associated minerals and peculiarities of fauna and flora are both of help in the matter. But all the same, prospecting is always more or less in the nature of a speculation.

(*c*) There is, again, the peculiar difficulty of work in the mines. The open shafts and pits are comparatively easy to conduct; and our miners are used to it; but labour is distasteful in underground works where mining is done under cover of rock or earth and excavations are carried out of solid minerals under water, *e. g.* the dredging of gold-bearing gravel from river bottoms or of liquid minerals by wells. Here trained miners are required, and appropriate machinery.

(3) Such are some of the inherent uncertainties of the industry. We have also to look to the nature of the field where our work must lie.

Our mineral resources are rich and varied—though not quite as magnificent as those of the United States or South America. There is not a district in the country, excepting perhaps Sind and parts of the barren Deccan, which is not found on exploration more or less well mineralised. Even Rajputana has its underground supply of beryl and garnet, lead and limestone, silver and slate, and Rewah has an inexhaustible supply of corundum. But ours is an old country where there has been mining from time out of mind. As a natural result, the tracts to which the old operations extended show more or less signs of exhaustion. But it is the surface diggings that are so exhausted. The mineral supply *lying* deeper is perfectly intact. And this applies to diamonds and gold as it does to copper and silver shale. It may be added in this connection that the Mysore Kolar mines are worked on the lines of the old operations—only the metal is sought at greater depths. The law of *diminishing returns* holds good in the case

of mining as it does in that of agriculture, and re-working the old mineral tracts must mean a smaller return to capital than in the case of virgin fields. But this is a necessary condition of such industrial work in an old country like India and has to be accepted as such. Even in Australia, and in and around Ballarat itself, gold is now sought under a regular system of mining at great depths below the surface ; and so, too, in the United States. This, however, apart, there are extensive deposits in many parts of India—and gold which will last us for years and years. In regard to diamonds, there are considerable tracts of the diamond-bearing conglomerate in the Cudapah district which are intact, untouched and untried by the old miners. So too in the matter of gold, the metal exists in richly-paying quantities in many of the lodes running through the Dharwar schists, &c., &c.

(4) We must remember, that the work in the new line must be up to the level of the modern standards. Mining is now a scientific art and no longer an empirical industry, and unless the requisite standard of efficiency is reached, we can have no chance whatever under the hard modern conditions of the world's competition. Protection in India under the existing system of Government is beyond the pale of practical politics, and we cannot and ought not to rely upon such shelter even in the first stages of the effort.

(5) So, practically though the work is one of revival, we must begin at the beginning and start as with a complete *tabula rasa*. The old tools and appliances, the old methods of exploration and prospecting, the old empirical processes of mineral extraction and mineral dressing, &c., all these will have to be discarded. And as the Japanese have had to do under somewhat analogous circumstances, we must employ the most effective modern machinery and mining methods whether for boring and blasting, for draining or dredging, for winding or haulage, &c., and indeed if we mean business, we must call in expert guidance and help in respect of all the different branches of the industry. Nor is this all. We must further have a fresh organization of the whole working agency.

Thus, the inherent uncertainties of the industry which even advancing science cannot altogether eliminate, the apparent surface exhaustion of the mineral tracts to which the old mining operations extended—pointing to the necessity for deeper and consequently more costly diggings—a high level of efficiency

in the work under modern conditions as a *sine qua non*, and with it the employment of the newest and most effective machinery and methods for such work—these are among the conditions of the new effort to which we are called in this matter of mining and metal work. Agricultural revival cannot be half so difficult, nor even the starting of cotton mills: and it is evident that for an efficient organization and prosecution of the work on the new lines we must have every aid that we can possibly obtain—State-aid, popular aid, the aid of the foreign capitalist, &c. Above all we must have the fundamental resources of enterprise and capital commensurate with our requirements.

As regards *Enterprise*, it may be individual or co-operate. And for our purposes we require *it in both its forms*. It is true, in the general scheme of modern industrialism, the individual has but a small share as an independent factor. But sometimes he brings to his work an impulse, an amount of moral force, a vigour of initiative and action, and a command of resources which guarantee success. A Junkichi Furakawa or a Tata would do for the country and its industries even more than a dozen Joint-Stock Companies could do. But such men of commanding genius and business capacity are but few, in any country, and fewer in a country like ourselves, where business is just beginning to be built up on a modern basis, and Joint-Stock co-operation is the one form of enterprise on which we must chiefly rely. It would be worth while to try also village guilds, where as in several districts of the Madras Presidency (*e. g.* Cudapah, North and South Arcot) the necessary constituent elements exist. The aid of village organizations too would be of value in the various stages of the work. But these would be more or less accessory helps, and the main agency for the effort which could be depended on would be Joint-Stock Companies. We have a number of such companies in various branches of industry—but few or none in this mining field—if we except the native Coal Mine Associations in Bengal. No advance, however, would be possible in the new line except on the basis of organised co-operative effort.

Next, comes the question of *Capital*. This is one of our greatest wants for purposes of the new industrial start. In these days of vast extensions of industry and commerce, small works and limited investments could have but little chance. Foundries, factories, mining operations, refineries—all have to be on an extensive scale: and costly machinery, tools and plant

to be employed. Capital in large amounts is an indispensable aid even for a start and how and where it could be obtained from, is one of the hardest questions we have to consider. Lord Curzon's estimate of our hoarded wealth is 825 crores. It is not known on what bed-rock of facts it rests, but, supposing it is fairly correct, it is evident that much of it is locked up in the State Jewels in our Native States, a considerable part in the people's ornaments and only a small residue at the best is available for our purposes of industrial investment. And even this, in the absence of banking facilities and credit organizations, we have at present no means of drawing out and mobilising for the people in any tolerable amounts. Possibly, cautious people would advise us to wait till the country should come to possess the necessary capital; but unfortunately, time and tide will not wait for us, and we shall be throwing away opportunities which may not return. Under such circumstances, we would suggest a resort to the aid of the foreign capitalist as the only alternative left. We are aware, such a proposal would scarcely meet with general acceptance, and would be viewed with distrust and hostility. Men naturally do not desire to share with others the profits of their work and view with jealousy foreign aid in such efforts. It has, however, to be remembered that such aid is to be sought only in the last resort and for the first stages of the new industrial endeavour. Interest would be all that we should have to pay on it; and there would be no interference of the foreign capitalist whatever with our undertakings in their initiation or management. They would be ours entirely and in proprietary right, and under our administration, only run with borrowed capital. Besides, as soon as the first trials are passed, and the concerns are well established, the loans would be repaid, and the aid of foreign capitals would cease. No sacrifice would be entailed and no harm caused, but such aid would enable us to do what must otherwise be left undone, and we are persuaded that a hundred million pounds sterling so borrowed from the foreign capitalists on easy terms, and judiciously laid out, would not only be the means of enabling us to start numerous industrial enterprises on the newer lines, but also of effecting a vast ameliorative change in the economic life of the people so as to send light and hope, comfort and joy, into thousands of cheerless homes in the country in a way of which we could have at present but a dim idea. A similar question has been for some time past exercising the public mind in Japan. A large majority of the Japanese people are opposed to the introduction of foreign

capital into the country; but according to Baron E. Shibu Sawa, President of the United Chamber of Commerce, the weight of authority and experience, as represented by Marquis Ito and others, is distinctly on the other side; and Baron Shibu Sawa himself holds the view that "as the capital we have in the country is not enough, foreign capital is needed to open up the resources of the country" (Vide *Japan by the Japanese*).

In this matter, however, of foreign loans, it would in some cases be necessary for us to appeal to Government for special assistance. Foreign capital would not easily come in except under adequate securities; and it would scarcely be possible for us in all cases to offer such ourselves in our individual capacity and in the first tentative stages of industrial effort. And in such circumstances we should find it indispensable to invoke the aid of the State. The State represents the collective strength of the nation and where its support is necessary for purposes of national advancement, we may be justified in seeking it in matters industrial as in other branches of national life. And we would venture to suggest that we might in such cases of absolute need appeal to Government to allow us to raise the necessary capital in foreign markets under a *State guarantee* on conditions similar to those on which Railway Companies are permitted to borrow for their purposes. The State guarantee has effectually paved the way for the growth of railway enterprise in the country, and so would it be of service in helping other enterprises too into healthy life. This no doubt marks a large departure from *laissez faire*; but the principle of State-aid and State-guidance in such matters is here with us fully recognised and we submit that railway enterprise in no way differs from other forms of industrial activity. And we have no doubt that Government would extend to native enterprise in respect of this mining and metal industry the kind and measure of help it allows to the railway companies. The aim in both cases is the same, namely, industrial development of the country.

But this is not the only direction in which we should need the aid of the State in these efforts. We should further require such assistance in respect of the existing rules regarding prospecting and mining leases, mineral exploration, mining education, &c.

As regards *prospecting and mining leases* in view of the peculiar uncertainties and difficulties of this branch of industrial enterprise, short leases and limited areas would hardly suffice

for the first stages of the effort and we would earnestly solicit on behalf of Indian mining efforts more liberal rules extending both the terms of leases and the areas for prospecting and mining. So, again, as to royalties and rents, we would ask that they might not be levied until a certain minimum *limit* of profit on the investment is reached. Lastly, as to prospecting work, this work of trial search is always more or less speculative and there is ever present the risk of failure. So it would be a valuable aid to private enterprise if Government would themselves carry it out at their own cost and by their own special staff of officers, at least in all important cases. Where, however, they should decide not to undertake any such operations themselves, they might help private efforts with grants of money in aid of such work.

Next as regards *Mineral Exploration*: a good deal of valuable work has already been done; and the labours of a long line of distinguished Geologists, including Drs. Oldham, Blandford, Medlicott, King, Foote, and Ball, deserve our grateful acknowledgment. A vast deal more work, however, still remains to be accomplished. Mineral investigation seems to have been hitherto confined mainly to the Eastern parts of the Peninsula, particularly the Gondwana area. And whole tracts outside the range lie particularly unexplored. The Bombay Presidency is left out in the cold under the supposition that it has but few minerals of economic value. And yet, we have our laterites in the Deccan in which Magnesite occurs to the extent of 15 to 20 per cent. They are of the same geological formation as the Bundelkhand and Amarkantak laterites; and it has been recently ascertained that several of these laterite-deposits contain large quantities of aluminum and are almost identical with bauxite. In the Dharwar schists we have gold bearing bands of quartz reefs; in Godhra in the Panch Mahals in Gujerat, we have plenty of iron-ore and some coal too. With all this, however, there has been no systematic mineral investigation of the Presidency. Similarly our Native States are for the most part geologically speaking a *terra incognita*. And yet many of them abound in useful minerals—such as the Nizam's dominions, Mysore, Cutch, Kathiawar, &c.

This work of mineral investigation is at present carried out by the Geological Survey of India. The operations of the Department embrace partly *economic inquiries* and partly *geological surveys*. And for the former purpose special officers have been of late years temporarily engaged from England—for

the purpose of reporting on the coal, gold and other mineral resources of the country. When things are so arranged, it is the scientific part of the work that receives the special attention of the Department while investigation is relegated to temporarily engaged outsiders. The arrangement is altogether unsatisfactory: and we are strongly of opinion that the temporary employment of such men should cease, and that there should be a special staff of experts under the Director of the Survey, charged with the duty of economic inquiry and that this work of such special importance should be conducted in a more systematic, comprehensive and thorough manner. The temporary men have often too large areas given to them and their labours often yield no results of any permanent practical value. Major Maclaren, for instance, in his recent Report on the auriferous occurrences of Chhota Nagpur admits that his conclusions "are the results of a single season's work over a very wide area" and are therefore naturally "liable to modification on the production of fresh data derived from a closer investigation." There is evidently waste in such inquiries, and we would press for a better organization of the work.

Further, we would suggest that the results of such economic inquiries should be rendered available to the people through Vernacular translations of Survey Reports. Such Vernacular literature would be of great service in disseminating amongst the people a knowledge of these matters, awakening inquiry, and assisting in a material way the projection of mining undertakings.

Lastly we come to *Mining Education*. Here it is satisfactory to find that the Government of India fully recognises in view of the growing importance of the mining industry in the country, the necessity of providing adequate facilities for mining instruction. It has recently sanctioned the opening of a mining class at the Seebpoor Engineering College under a Professor of Mining Engineering and also a number of foreign technical scholarships to enable students to study the subject in England and elsewhere. Already there are four Bengalee students studying mining in Birmingham. This is on the whole a fair start. We are not, however, we confess, in favour of such special classes for new and independent studies joined on to old educational institutions. They run the risk of being shadowed over and relegated to a subordinate position as was the case with the agricultural classes in the College of Science, Poona; and we should have wished for an independent, well-

equipped, well-staffed College of mines located in some central position in the mining area. But this is for the future. We are just now only at the threshold, and we think it would be premature to make any large demand upon Government in the matter at this stage. Meanwhile, however, we would suggest that Geology with special reference to economic Mineralogy might be advantageously introduced into the curricula of the schools and colleges as part of general education, as is done in the countries of Europe and America.

Under some such scheme and with the aid of the State in some such forms, we think, the work of reviving our old mining and metal industry may be attempted with a fair prospect of success. And such revival of the industry would be a boon and a blessing to the country. It would resuscitate an ancient industry and restore to the old mining population of the land their fruitful, congenial hereditary calling which would lift them beyond the grasp of famine; open up a large field of varied employment for our working classes; would tap a new source of national wealth and create a new field of investment for our capitalists, prove an important step taken for a reconstruction of our national industrial system on modern lines and would further furnish a means by which it would be possible to restore to large tracts in the country (*e. g.* Karnul and Cudapah in the Madras Presidency) the prosperity which once was theirs.

And as a beginning on the new lines, we would venture to suggest the following among other works as affording fair chances of success:—

1. *Aluminium industry* in Madras—Now an established industry, and several British Companies are already engaged in it.

2. *Manganese ores*—The mining might be started in Dharwar or Belgaum where the deposits are rich and plentiful. The industry has a bright future before it.

3. *Copper-mining* at Jabulpore in the Central Provinces where rich deposits of the metal occur.

4. *Iron and steel works* at Salem where the richest deposits exist. Absence of coal is a drawback. In France there is a similar difficulty, iron and coal not occurring together. The question, however, reduces itself to one of transport and can be easily settled.

5. *Granite* works in Madras where granite occurs capable of high polish.

6. *Glass works*, at Aligarh, in the United Provinces of Agra and Oudh—There is in the Provinces already an extensive manufacture of glass by native methods; it might be reorganised on European lines. So, again, they may be started at Kapadwanj in Kaira zilla in the Bombay Presidency.

7. *Gypsum*—a most valuable manure and otherwise a useful mineral, in Satara or Phalton where the supply is large.

8. *Lead-mining*, in Karnul, in the Madras Presidency where the ores occur in considerable quantities.

9. *Gold-mining*, in Dharwar—The schists there are rich, and only recently 3 British Companies have been formed with a capital of £160,000. Here the industry is most promising and the field is large. In the opinion of experts, the operations at present going on tap, but to a small extent the gold bearing rocks, the extensive bands of schists.

10. *Diamond-mining*, at Panna, in Bundelkhand and in Cudapah in the Madras Presidency where we have long stretches of promising diamond conglomerate beds.

11. *Galvanised iron* and *tin plates*, in Bombay—The import is a large import, nearly 160 lakhs in 1904-1905. The manufacture is a simple process; only a supply is needed of iron, zinc and tin.

12. *Gold-washing* in Assam—Government should be appealed to restore to the poorer classes in Assam this their ancestral craft which they have been for 35 years past prohibited from following, most unjustly, with a view to ensure gold concentration in the river beds, and in the interest of foreign exploitation.

A few such works would suffice for a start; and it may be remarked in a general way that *diamonds* and *gold*, *copper* and *lead* and *iron* are among the most promising of our minerals, and that it is a duty we owe not only to ourselves, but also to our children and children's children that we should ourselves endeavour to work them and not suffer the foreign exploiters by our apathy and inaction to secure a monopoly of the working. We would go a step further and advise that the main effort may for the present be concentrated on these minerals as far as our means may permit.

The whole work is new; the subject is but little studied or understood in the country; and in view of the urgency of the circumstances and the practical importance of the endeavour, we would earnestly recommend the creation, as a necessary part of the practical scheme, of a strong organization for the purpose—a central association with a net-work of branches all over the country, practically in the mining tracts—to work out in a practical way this problem of the development of our mineral resources. The object of such association to be *inter alia* these :—

(*a*) To collect information regarding the mineral capabilities of the different parts of the country.

(*b*) To investigate past history of the mining industry in the country.

(*c*) To study the question of the development of such mineral resources with the advice of experts and in the light of experience in other countries.

(*d*) To send out Indian experts—as the Japanese did at the start—say men like Professor V. S. Sambasiva Aiyar of Bangalore, to study in other countries the working of the mines and the systems prevailing there of mining legislation, mining labour and mining education.

(*e*) To arrange to disseminate amongst the people the information so collected and the results of such study and investigation in other countries by means of cheap Vernacular literature, peripatetic lecturing, exhibitions, &c.

(*f*) To create a healthy, well-informed public opinion on the subject and with a view to the end to start a mining paper, and to have mining institutes established at various places for discussions and study.

(*g*) To organise mining enterprises in promising tracts and otherwise assist in the organization of such efforts.

(*h*) To render assistance in prospecting work in such cases.

(*i*) To undertake search work independently where there may be good prospects of success.

(*j*) And above all to watch and promote in all practicable ways the mining interests in the country, &c., &c. The associations will require funds for their own museums, laboratories, &c.

No large practical effort in the desired direction would seem possible and no healthy start without the aid of some such organization.

Lastly, we desire to point out that this question relating to the mining and metal industry does not affect the British Provinces alone. It concerns the Native States as well, where a similar situation exists. Many of these States possess considerable mineral resources, notably the Nizam's dominions, Rajputana, Gwalior, Cutch, Rewah and Kolhapore. And we submit that it is a duty which the rulers and administrators of these States owe to the populations under their rule to do what in them lies to resuscitate this ancient industry. Every important State and group of States should have a mining expert to advise in the matter. The necessary surveys, the experimental trials, &c. should be carried out under his supervision, and no effort should be spared to call out and encourage indigenous enterprise in the field. It is further worth remarking that the Native States Governments can do even more in the matter than the Government of India, and accord to private efforts a larger measure of direct and indirect aid—in the shape of guarantees, subsidies, bounties, and special concessions regarding prospecting and mining leases.

These are some of our ideas on this important subject of the mining and metal industry in the country, and here we must bring our observations to a close, apologising for the length to which they have extended. In the preceding pages, we have pointed out how great and varied are the mineral resources we possess ; how mining and metal work was at one time one of our most prosperous industries in the land—supporting a numerous population—and how in recent years, under modern conditions and owing to the impact of unrestricted foreign competition, it has unfortunately suffered a most grievous collapse. We have dwelt at length on some of the calamitous results which has followed from such a failure of an ancient and extensive industry not only to large sections of the population, but to the general industrial life of the country. And we have pleaded with all the earnestness we could command for some practical action with a view to its revival, and rebuilding on modern lines. In our opinion, the work of such revival and rebuilding should be

entirely our work—and ours alone—with just the kind and measure of State-aid that may be absolutely necessary : and we have ventured to sketch out a rough plan on which such work might be arranged and carried out under the existing circumstances both in the British Provinces and in the Native States. We humbly trust, the scheme of practical action so submitted —and submitted with diffidence—will meet with the approval of the Conference.

The movement here advocated is—as things are at present in India—rather one along a difficult line of advance in the industrial field ; and the effort required is a large, vigorous, strenuous and sustained effort. And like every other effort of the kind, it must depend for its effective initiation and successful prosecution upon the popular and other support it may enlist. It is a self-reliant effort conceived in the best interests of the country, and under the new *Swadeshi* awakening, we have no doubt it will receive all the aid it needs. Further we may also count upon the generous and cordial assistance of Government in such efforts, the one sole object of which is the development of the industrial resources of the country and with it the amelioration of the condition of the people. And with such help and support, the new effort has every prospect of assured success ; and when it succeeds—as we hope and pray it may by the blessings of Providence—and the industry revives as part of general re-building of our national industrial system, we trust India will be in a fair way to be once again what she was for centuries—one of the richest and most progressive Mining Countries of the World—the land *par excellence* of gold and plenty and bliss. And in the progress of the *Swadeshi* movement we have already the dawn on the hills—the dawn of a new era of hope and promise :

> " And the light is Victor, and the darkness
>
> " Dawns into the Jubilee of the ages."

HOW TO HOLD INDUSTRIAL EXHIBITIONS.*

The question of the advisability of holding such industrial exhibitions at selected centres in the country is one of the questions for discussion before the Industrial Conference. Surely no more useful subject could engage the deliberations of the Conference. The educational and economic advantages of periodical displays of superior foreign artistic and industrial objects, together with a complete illustration of the machinery and processes employed in their manufacture in the present circumstances of India, can hardly be over estimated.

2. Formidable as are the difficulties which the industrial worker in this country has to contend against, apparently there is none more so than his utter want of knowledge of the resources of foreign competition. He finds himself daily more and more out-stripped in the race, but has no conception of the means and methods of his foreign competitors. He sees their superior work, flooding in larger and larger volume the markets of the world, including the markets of his native land; the contrast strikes him; he recognises the immense superiority of the foreign articles, as compared with his own, but has no eye to see by what means such superior excellence of finish and design is reached in foreign lands.

3. In the presence of such an unequal competitive struggle, the Indian worker's feeling is naturally one of increasing bewilderment and despair. He is face to face in every market with his foreign rivals, but sees them on heights, which he thinks he can scarcely hope to gain. He does not know and has yet no means of knowing placed within his reach,—what science and inventive Genius, as applied to the science of Arts and Industry, have done for the foreign workers, and dazzled with their superior workmanship apparently beyond his attainable range, feels discouraged and dispirited for the fight. The free competition contest helps to stir in him, as at present circumstanced, no ambition, no emulative aspiration, and as the chances turn more and more against him, he is resignedly content to retire,—and retires step after step from the lists where he no longer thinks, he can hold his own, leaving the

* This paper was read at the first Industrial Conference held at Poona, in August 1891, under the auspices of the Industrial Association of Western India.

fight and the magnificent prizes of the fight to his foreign compeers. And thus industrially speaking the chief grand moral purpose is lost, in the absence of proper instructional appliances, of the wide world's Free Fair, in which our industrial classes are called upon, under the free trade conditions of British rule, to bear their share. They are seized with an over-powering anti-industrial sense of helpless despair and there is no conscious endeavour to stem and turn the tide.

4. The result is a suicidal and demoralising conservatism in every sphere of our national industry. Though confronted with such foreign competition, which knows how to employ—and employs—the latest and newest developments of science and Art for purposes of industrial improvement and though already pushed out of the greater part of the field, the Indian worker seems scarcely to move one inch to retrieve his position. He is still content to work in his old grooves. His methods and appliances, such as they are, are perhaps the most wasteful and antiquated conceivable and are as old as the hills of his native land. And it is as clear to him as the noon-day sun, that it is not possible for him to continue much longer in the field on his old footing. Most of his industries are either already dead or dying, and field after field of profitable industrial occupation is passing under foreign control. But the collapse of the fabric seems only to deepen his sense of helplessness and discourage effort. He does not change his lines of work, nor desires to change them, being lamentably ignorant as to how and in what way he can with advantage make the change. He is under a strange and fateful spell and seems to apprehend, in the depth of despairing ignorance, in respect of every onward step to which he is invited, either a "leap in the dark" or an utter break-down.

5. A partial remedy for such a state of things would be found in the holding of periodical exhibitions of foreign arts and industries and artistic and industrial appliances. Such industrial displays would go far to break the spell and help to give the industrial classes in this country a juster appreciation of the *rationale* of the general position. They would serve if organised on a proper basis to open up to their view a vista of possibilities of industrial development within reach and attainable distance and re-establish their self-trust and hopefulness. This would be no small moral service to the movement of industrial revival in the country. But further such exhibitions could be easily made to subserve as a valuable object-lesson to the industrial

worker in science and technology in their practical applications to Art and Industry, and while suggesting new fields for effort would create an intelligent demand on his part for a comprehensive system of scientific and technical instruction in the country.

6. But it is clear that the success of the first attempts in the matter would very much depend upon the way in which they are conceived and carried out. The importance of cautious and well-considered procedure at the initial stages scarcely needs to be pointed out. "Slow but sure" is the safest motto in such cases.

7. International Exhibitions, such as are held in Europe and America on the model of the grand London Exhibition of 1851, are often proposed. But the proposal, though grand in its conception, aims too high and seems otherwise, in the existing circumstances of India, somewhat premature. To industrially advanced nations, well-equipped for the encounter and fairly to the fore in the field, such exhibitions are no doubt of inestimable value. They supply an instructive pictorial register of the relative advance of the competing countries, encourage healthful emulation, and tend to raise the general level of industrial excellence. But the value of such magnificent displays of the world's arts and industries seems at the best problematical in countries so backward as India—countries which are utterly destitute of industrial equipment and which have yet to learn the most elementary lessons in industrial organization and development. Here the chances are that from a moral point of view and in conceivable circumstances such exhibitions would do more harm than good. The untutored and unequipped industrial worker, when confronted with such a display of the world's workmanship in its highest and richest form, would feel rather bewildered and lost, overawed by its vastness and magnificence, and more likely than not, the overpowering contrast between his own work and that of others would damp his energy, and increasing his sense of helplessness, deter him from fresh efforts, rather than encourage and lead him out into bolder paths of industrial improvement. At all events even assuming that the results of such exhibitions would be beneficial, it seems clear that as things are in India, they would not be in any way commensurate with the expenditure of money, energy and time they would require. The experience of the Calcutta Exhibition of 1883-84 is not very encouraging on the point. The anticipations of its promoters

have not been realised and the display, though held under the most favourable auspices, has left no impress on the industrial life of the country. The fact of the matter is that India, in the present unprepared and unequipped condition of her industrial classes, cannot hope to profit by such exhibitions. It has, therefore, however reluctantly, to be said that the grand scheme of Dr. Blaney and his supporters had best stand over till we are in a fitter position. The time for such undertakings with us is not yet come, though it may not be far away.

8. Industrial Exhibitions, to serve as really effective agencies in the work of industrial revival and advance in the existing circumstances of the country, would have to be arranged on a much more modest scale, as better suited to the requirements of a backward nation, and conceived on different lines *A new industrial departure* rather than *industrial advance* is, as matters are, the one cardinal object to be kept in view. Evidently, the old indigenous industries of the country —even including the artistic—cannot much longer continue on the old lines of hand-power, manual dexterity and untutored empiric guidance, and a transition to a newer and higher type on the basis of applications of science, scientific training, and scientific methods to industrial purposes is our pressing economic necessity, and efforts at this stage have to be directed to the initiation of such a transitional movement. The transition made, the new departure taken, India would be able to take her position, at however great a distance, among the competing nations of the world, and the path of future development would not present such formidable difficulties.

9. As one step in the desired direction would have to be organised more for their indirect educational influences rather than with an eye to direct commercial advantage, they have to be so arranged as to suggest in what directions, and by what stage, a new industrial development might be best attempted. The Indian worker has to be made to see how he can, even with his present limited resources, aspire to higher things, and, in what lines, hope to compete with his foreign rivals; the Indian capitalist, in what new fields he can venture on investments. This is one educational effect to be aimed at, and should it fail, the game would not be worth the candle.

10. The object to be kept in view being so defined, the plan of the work does not present much difficulty. The exhibitions at the initial stages would have to be restricted in

scope. They would have to be confined to a few carefully selected industries—industries in which the machinery employed is cheap and simple and which offer a fair field for enterprise,—to be held at selected centres, and followed up by organization of *technical museums* and *special trade schools or classes*. The exhibits should include in the case of each industry not only the finished article, but every piece of machinery employed in its manufacture and every kind of substance used in its various processes, to be accompanied with cheap manuals and guide-books, explaining and illustrating by means of diagrams the entire mechanism of the industry. They should be held periodically, and in parts of the country and at places, which present favourable conditions for the establishment of the "exhibited" industries, such for instance as export large quantities of the raw material or were the scene of local manufacture in former days. Each such exhibition should be utilised for the institution of a *technical museum* at the place where it is held and for the benefit of the industries of the surrounding districts, as well as for the opening of *technical classes* or courses of *technical lectures* (*e. g.* by the appointment of travelling technical teachers) for the instruction of the artisan classes in those localities in the technical processes and methods of the special industries;—museums and technical schools or classes, both, to be under expert management and to be arranged, of course with necessary modifications, on the model of similar institutions in France, Switzerland, Austria, Belgium and other countries of Europe (*vide* for details and description "Second Report of the Royal Commissioners on Technical Education," Vol. I—Pages 18–225).

11. Exhibitions with Technical Museums and Technical Classes and Trade Schools—this would appear to be somewhat a large programme: but without some such action, the good moral and economic effects of such exhibitions cannot, in the present condition of our industrial classes, be permanently assured. Otherwise they would be little better than passing ripples on the surface of the industrial life of the country—costly but useless pageantries.

12. Should this basis be accepted, the points for practical consideration in respect of such exhibitions would be (1) the *selection of industries* to which the display is to be limited, (2) the *selection of places* where they are to be held, and (3) the *financing of such undertakings*.

13. (1) First, as regards *selection of industries*, two considerations must mainly determine the decision, (*a*) that the selected industries afford a convenient starting point for the new departure, and (*b*) that the requisite conditions exist in the country, both as to capital and labour, for the opening up of the new lines of work. On a broad view of the industrial resources and facilities of the country, the following industries suggest themselves as among those that fairly satisfy the conditions :—

1. Oils
2. Leather
3. Sugar
4. Glass
5. Paper
6. Tobacco
7. Bricks and tiles &c.

The total volume of industry covered by these manufactures is considerable, representing with trade-returns of the country a value of about 23 crores a year. The import of finished products is nearly on an average 5½ crores per annum, while the export of the raw material is close on 18 crores. The figures are as under :—

Imports—(manufactured).	Value in lakhs of rupees.
Paper and paste board.	47·
Tobacco (Cigars &c.).	13·5
Bricks, tiles &c.	16·2
Oils (vegetable).	25·6
Leather manufactured (including shoes and boots).	36·
Sugar (refined &c.).	3,32·0
Glass.	65·2
Rs.	5,35·5

Exports—(raw material).	Value in lakhs of rupees.
Unrefined sugar.	50·
Tobacco.	9·
Unmanufactured hides and skins.	2,16·5
Oil-seeds.	10,62·0
Dyeing & tanning materials.	4,50·0
Rs.	17,87·5

Total imports and exports.	5,35·5
	17,87·5
Rs.	23,23,00,000

14. In regard to these suggested industries, it may be generally noticed :—

(1) That there is plenty of raw material in the country—from oil-seeds for *oil* manufacture to silex and the alkalies of soda and lime for *glass*, and from hides and skins for *leather* to clay for *bricks and tiles*

(2.) That the machinery required for the manufactures is for the most part cheap and simple. Wedge, presses, edge-mills, Bramah's hydraulic presses, rollers, glass furnaces, glass-blowers, tools, glass moulds, skin-splitting and tanning machines, flint mills and pans and kilns—these are some of the pieces of machinery required for exhibition ;

(3) That the methods and processes employed are comparatively simple and such as are fairly within the grasp of our industrial classes. The use of steam power is about the only new feature, and the manufacture requires no special training or skill on the part of the operatives ;

(4) That the demand for the finished articles is assured, already large and easily expansible. Home consumption affords a wide field ; but even foreign markets are open to our commerce. China, Japan and Africa offer no small outlets for our surplus products ; and

(5) That the initial outlays of capital required in respect of all these manufactures are fairly moderate and within reach of our capitalist classes. The *oil presses* can be set up at a minimum investment of about Rs. 40,000 ; the *tanneries*, at from Rs. 20,000 to Rs. 40,000 ; the tile and brick manufactories at about Rs. 10,000 ; the sugar works at about Rs. 1,00,000 to Rs. 2,00,000 and so on.

15. These are tolerably good conditions for new industrial developments, and exhibitions on the lines suggested would not fail to have important results. We have already small beginnings in the field, but under foreign initiation for the most part : sugar factories 16, tanneries 17, tile manufactories 18, tobacco works 19, oil-presses 33, &c.—a clear proof of this feasibility.

16. (2) Secondly, as to *choice of centres* for such exhibitions, it is a matter for the Central Association of Poona to settle in consultation with local bodies whose co-operation is absolutely necessary.

17. (3) Lastly comes the question of *funds*. It has clearly to be borne in mind in this connection that such exhibitions being altogether a new thing in the country, cannot be expected to pay their cost, much less to be commercially profitable; and it would wreck the whole scheme to make them do so. They have to be carried out not as commercial undertakings, but as among the initial steps in the economic and technical instruction of the people and with a view to encourage and help a new departure; and as such, their cost has to be cheerfully borne, and borne partly (1) by private philanthropic and patriotic enterprise, as represented by associations and individual patrons, partly (2) by the Local Boards which could, if they chose, within their discretionary powers of expenditure, give grants out of their funds for the purpose, and (3) by the Provincial Governments. The duty of Government in this regard is clear. The Famine Commissioners recommend grants of pecuniary aid out of the Imperial treasury (Rep. Vol. II p. 176), and there is the "Famine Insurance Grant" at the free disposal of Government from which no more appropriate grants can be made than to help such educational undertakings. On the question of cost it may be added in a general way that it can always be kept within convenient limits by restricting the ground and scope of operations of such exhibitions.

18. Such briefly in rough outline is the scheme of Industrial Exhibitions suggested for the consideration of the Conference. Whatever the difference of views on points of detail, the central idea of the scheme, it is earnestly hoped, will commend itself to the approval of the Conference.

THOUGHTS ON THE CALCUTTA EXHIBITION OF 1906.*

[By Rao Bahadur Ganesh Venkatesh Joshi, Poona.]

The forthcoming exhibition is the fifth of its kind in connection with, and under the auspices of the National Cogress, and it was here in the Metropolis of British India that the fruitful idea was first conceived, and the first exhibition held in 1901. Ahmedabad, Bombay, Madras and Benares have since had their turns; and now the institution comes back to the home of its birth with added strength and vigour, and promises to give us this year a display of Indian arts and industries richer and grander by far than ever before. It has the support and patronage of the Government of India, and His Excellency the Viceroy, who has more than once expressed his hearty sympathy with the movement and its aims, has kindly consented to open it in person.

The occasion is thus one of unique interest and importance and I submit, it behoves us to consider whether the time is not come for taking a forward step in the matter and initiating a new scheme of action with a view to increasing the usefulness of the institution.

Even as at present arranged, these exhibitions undoubtedly serve a most useful purpose. They help once in a year to gather up the scattered threads of the nation's industrial activity, and presenting in one panoramic view the results achieved, supply a standard by which to gauge the country's economic advance. They further convey an idea of the boundless wealth of national resources we possess, the low stage of development we have yet been able to reach, and the practically limitless range and scope that exist for fresh efforts. New lines of advance suggest themselves to the inquiring mind, and new vistas open up before it on all sides of possible development. From another point of view, these annual displays serve to popularise a knowledge of the country's products, promote a

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*Though this Paper refers to the Exhibition of 1906, it contains many valuable and practical suggestions and hence it has been published. —Industrial Conference Office (1907), Amraoti.

This paper was presented to the Indian Industrial Conference held at Calcutta in December 1906.

wider appreciation of their value and a more liberal patronage at the hands of the public. They also encourage on the part of the workers energetic efforts to reach higher levels of excellence.

These are all valuable results, but, to my thinking, the time has arrived when we may aim higher and inaugurate a new line of advance with a view to secure for the general industrial life of the country, a larger and fuller measure of advantage from these annual exhibitions than is at present attempted. Broadly speaking, the exhibitions are intended chiefly to *stimulate* on the one side the *expansion of trade* in Indian articles, and *new extended developments*; and it seems desirable and necessary that the stimulus that thus comes from them in these two directions should not be a passing or a temporary, but a continuing and permanent stimulus—steady and vigorous, and operative over a wide and widening area of industrial effort, and on a carefully arranged plan so as to economise time, effort, and expense, &c.

In this connection, I would request reference to *Government of India Resolution No.* 239 *in the Department of Revenue and Agriculture, dated* (*Calcutta*) *the 14th March*, 1883, dealing with the subject of Museums and Exhibitions and sketching out in broad outline a plan of action the Government of India desired to be adopted in order that they might be made effectively to fulfil the purposes for which they were intended.

These purposes are:—

(A) *Promotion of Trade* in Indian products;

and

(B) *Improvement of art* and other *manufactures.*

As regards *stimulus to Trade*:—

Government deem it desirable (1) that a permanent *sample collection of commercial products of each province* should be formed and continuously maintained at some central place within the province, (2) that one or more complete sample collections of the commercial *products of all provinces* should be formed at the Presidency Towns which form the principal trading ports in India; (3) that a *full description* of the *uses* to which *each product* can be put must be supplied; and (4) that some means should be taken at each exhibition of *ascertaining the best way* in which *Indian products can be pushed into further notice in the commercial world.*

The *Museums*—Local, Provincial and Imperial—should serve as *Trade Museums* each with a sample collection and a supply-room—only duplicate of the samples maintained—to be supplied to the public. These museums would further be useful in another way.

As it is, collections of exhibits for these exhibitions cost much time, trouble and expense. As soon as an exhibition is over, these are usually sold, given away or otherwise disposed of. And on each fresh occasion, the collections are renewed. Such an arrangement obviously involves waste. If these exhibitions are to be held year after year, side by side with the annual sessions of the Congress, it would be desirable that the collections once made should be maintained to serve as a *nucleus* to which additions might be made for time to time as required and that a system of loans and supply should be arranged under which collections of exhibits could be made for exhibitions at the least expenditure of time, trouble and money.

There is already such a *store of Indian articles* formed at Calcutta in 1901. Only it requires enlargement, and re-organisation on the lines of a commercial museum. Similar stores should be formed *at other provincial centres* and it is necessary to have *one Imperial* or Art *Indian Museum* for the products of all the different provinces.

As regards *descriptive catalogues* or hand books relating to the more important of Indian products,—Dr. Watt's Dictionary of Economic Products is a most useful and comprehensive work of reference, and brief notes based on this might be prepared and published under the direction of the Exhibition Committee both in English and in the principal Vernaculars of the country.

Further, as to *inquiries regarding extensions of trade*—it would seem, they can best be conducted by the *ministry of Commerce and Industry*—in consultation with the mercantile community, and the results published for general information. Usually it is the business of exhibitors to make such enquiries; but in the existing circumstances of the country Government recognises (para. 7) that "the duty of bringing a knowledge of the value of Indian products or manufactures before the commercial public initially devolves upon Government Officials."

As regards *stimulus to improvement* and *new development*—the point may be considered with reference to:

(1) *Agriculture.*
(2) *Ordinary manufactures* and
(3) *Art manufactures.*

(1) *Agricultural products* :—

Much might be done at these exhibitions to get the farmers to appreciate the value of superior products and superior methods of production, and the use of superior implements and artificial and other manures, and supply them with useful information about agricultural points, cattle breeding, sheep rearing, fodders etc. Something also may be done to encourage trial cultivation of new products.

As regards *Forestry*, there is great ignorance ; and private plantations are on the decline. The exhibition of various kinds of *wood* and *timber*—and other *forest produce* gums, resins, tans, etc.—with a few good lectures arranged on the subject would awaken interest in branch of industry at present utmost neglected. Cheap leaflets in the vernacular would be of use.

Pastures.—Wool is a pastoral product of great importance. We have 43 million heads of sheep and goats in India and yet there is little of wool or goat's hair that is of commercial value. The wool that we send out is imported wool—imported for the most part from Persia, Afghanistan etc. Useful information might be supplied to the villagers on these and other kindred points.

(2) *Ordinary manufactures* :—

We have as yet but few such of any importance—excepting cotton and jute. Here the aim should be to stimulate new developments. Government is aware of this and proposes that "at the time of an exhibition some assistance can be given by collecting samples of *foreign manufactures*, by providing information as to the *method employed* in manufacturing them and by subsequently *conveying such information* to the *native manufacturers*."

I submit each year *one or two industries* might be *selected* in regard to which India possesses special advantages, but which at present do not exist or if they do, require improvement and development *e. g. sugar refining, oil pressing, glass making. paper manufacture, the making of china-ware &c.* And I would suggest the employment of specialists, whose duty it

should be to visit the different provincial centres and disseminate a knowledge of these things among the people by means of lectures.

There is the largest scope for such an effort in regard to mining and minerals. The mineral production of India is increasing every year; but the Indians have but little share in it. The minerals are usually among the exhibits at these exhibitions. But it is desirable to have mining machinery also shown. Lectures, too, on the subject; say by such an accomplished mineralogist as Dr. P. N. Bose, will be of the greatest value analogous to those arranged by the Agricultural Department. Cheap hand-books are needed for popular use describing each mineral, its places of occurence, and the uses to which it can be put. [Mr. Hadi, Assistant Director of Agriculture, United Provinces, it is understood, will be on special duty at the exhibition in connection with sugar refining. May he not be invited to visit the other provincial centres and arrange a course of like demonstrations and trials? So, also, it may be suggested that Mr. P. N. Dutt, Deputy Superintendent, Government Survey of India, might be invited to undertake a similar function in regard to mining in India].

(3) *Art manufactures*:—

These manufactures are the glory and pride of the country. Here is this field of artistic work—whether it is silver filigree work or enamelled work, carved ivory or wood and stone carving—we have no formidable competition to face, and yet for want of a sufficient demand for such articles our arts are declining. Government is most anxious that some vigorous effort may be made to revive and develop them. In the resolution above quoted, this branch of the subject receives special consideration.

Government proposes:—

(1) The formation of *Local Museums* at places of art manufacture, and

(2) The organisation of local committees composed of officials and Indian gentlemen who take an interest in the question to manage the museums.

(3) The establishment of *Provincial Museums* and provincial committees. The object being "to secure the best samples of art manufactures for each local committee and to pro-

vide the local committees with such notice or information as they may be able to give in connection with the art manufacture concerned in each case." These provincial committees should take the utmost pains to obtain or select the best samples produced at each place of manufacture.

(4) The *securing* of the *co-operation of foreign museums* with the assistance of the Imperial Government the authorities of continental museums are prepared to extend such co-operation, and collections might be formed at these museums of the finest specimen of Indian art-ware.

These collections at the foreign museums would serve as a link between India and foreign markets in regard to these art manufactures.

(5) *Suggestions* to be invited from specialists in Europe and America as to in what ways the existing Indian Art work could be made more serviceable for European requirements and otherwise acceptable in foreign markets.

Something has already been done in all these directions; sample collections have been made at more than one Provincial centres, but we need a more regular and extended organisation of effort on these lines with a view to ensuring more effective assistance in this important matter of revival and improvement of Indian Art work.

To these I would add the following further suggestions :—

(1) The *Eastern markets* are worth trying in this connection and samples of Indian Art-ware might be advantageously introduced to the notice of the commercial public. The co-operation of the Governments of Japan, China, Korea, Persia, and Turkey would be valuable.

(2) Moveable exhibitions of Indian Art work might be planned out in foreign countries in order to promote a wider appreciation of its intrinsic merit and commercial use.

(3) The Government of Lord Ripon in their Resolution of 1883 were disposed to entrust all this work to the Department of Agriculture—as being the only department then available. Now, however, we have one new ministry of Commerce and Industry and I would suggest that a *special bureau* of *Indian Arts* might be *organised* to work under the direction of that department and to advise and assist Government in carrying out practical measures in reference to this side of Indian Industrial Development.

Such a bureau exists in Austria, and the valuable work it is doing is well-known. Cannot something be attempted in India on the same lines?

The *suggestions respectfully submitted* for *consideration may be* thus *summarised*:—

(1) The formation of *Trade Museums* at all the provincial centres and in the Presidency towns, as also *one central museum for all India.*

(2) The publication of discriptive catalogues and handbooks both in English and the principal Vernaculars regarding the more important economic products and manufactures of the country.

(3) The institution of *special inquiries* in the Department of Commerce and Industry at each exhibition with a view to ascertaining the requirements of foreign trade in Indian articles.

(4) Collection of *samples of foreign manufactures* and supplying *information* in relation to them—the methods of manufacture and the machinery employed—to the *native manufactures*; *one or two industries to be selected* for such treatment *at each* exhibition—industries for which India possesses special facilities.

Much work has to be done on the same lines in regard to *mining.*

(5) Request to Government this year to place Mr. Hadi and Mr. Dutt on *special* duty, one in connection with sugar-refining and the other in regard to mining, who should visit the various Provincial centres with a view to dissemination of a knowledge of the newer methods amongst the people.

As regards Art work, organisation of

(*a*) *Local Museums* and *Local Committees* } at the centres of art manufacture.

(*b*) *Provincial museums* and *Provincial Committees* } with a view to a comprehensive effort.

(*c*) *Moveable exhibitions*—In foreign countries with a view to promote a wider appreciation of Indian Art work.

(*d*) The formation of a bureau of Indian Arts under the direction of the ministry of Commerce and Industry to have the care of all this work.

BRIEF NOTE ON SATARA AND ITS INDUSTRIES.*

[By Rao Bahadur G. V. Joshi, Satara.]

Satara is a *district of the Bombay Division.* It lies at the Western limit of the Deccan upland between 16° 15′ and 18° 10′ N. Lat. and 73 45′ and 75° 0′ E. Long. It has an area of 4,825 sq. m. and a population of 11,46,559 souls, or about 238 to the square mile. It is divided for administrative purposes into 11 Talukas and has 8 towns and 1,335 villages.

The district is a *district of considerable resources.* It was at one time a blessed tract of varied industry and plenty, but is now the home of a sinking and struggling population.

The *population* since 1872 shows a serious decline. The variations have been as per margin. Assuming the normal increase at 1 p. c. per annum, the *loss of population* in the zilla during the 30 years from 1872 to 1901, was about *2·34 lakhs* or 23 p. c. Increasing poverty, famine, and plague have had their effect. There could be no sadder or more eloquent testimony to the trials and sufferings of the chequered period.

Census Years		Population.
1872	...	10,62,121
1881	...	10,62,350
1891	...	12,25,989
1901	...	11,46,559

Popul. in 1872	... 10,62,121
Normal increase at 1 p. c. per year	... 3·18
	13·80 lakhs.
By census of 1901.	11·46 ,,
Loss since 1872.	2·34 lakhs. 23 p.c.

Leaving out Government service &c. the distribution of population according to occupation (by the census of 1901) is as under :—

	Nos.	P. C.
A. Professions ...	12,704 ...	1·1
B. Commerce, including transport ...	8,493 ...	·8
C. Industry ...	1,35,089 ...	12
D. Agricultural and pasture ...	8,32,842 ...	73
E. Labour	50,109 ...	4·4
Partially agricultural	17,941	

The *population* is thus almost exclusively *agricultural.* The shipwreck of non-agricultural industries, is all but total. Some of the old traditional *crafts* still survive, but only as *subsidiary rural occupations*, subserving local

* This note was submitted in 1906 to the Indian Industrial Conference Office, Amraoti.

wants. We have here no mills or factories and no important art-manufactures of any kind.

A few Census figures regarding *male* workers under these heads of occupation may be of interest.

A. Money lenders ...	674	C. Cotton weavers ...	4,688	C. Workers in iron, &c. ...	1,487
Pleaders ...	90	Wool weavers, &c. ...	1,183	Workers in brass, &c....	471
Doctors ...	178	Rope, sacking, net makers.	3,552	Shoe-makers..	3,680
Actors, &c.	131	Oil pressers.	2,121	Potters ...	2,182
Petition Writers ...	286	Brick and tile makers...	1,123	D. Cattle breeders and dealers.	7,052
B. General merchants ...	1,464	Bangle makers... ...	813	Shepherds and Goat-herds,.	4,603
Grocers, &c.	2,675	Workers in Gold, &c.	2,096	Farm servants.	1,075
Shop-keepers, &c...	54			Field labourers.	13,968
Cart owners.	391			Land-holders, &c.	2,41,857

A.—AGRICULTURE.

The Zilla is a fine agricultural tract. It has a *rich soil, a healthy tropical climate* and a *splendid irrigational supply.*

The soils are of three classes, red in the hills, black and light in the plains. The black soil, found in belts along the rivers, is most widely distributed in the Krishna valley, making it the richest garden and dry-crop land in the zilla. The red soils of the valleys yield most of the rice the district produces.

The climate is a tropical climate favourable to varied culture. The seasons are regular and uniform and extremes of heat and cold are unknown.

The rainfall is about 43 inches, and the number of rainy days varies from 70 to 50. There are the vicissitudes of the seasons, to which the Deccan is exposed The zilla, however, has *irrigational facilities*, which if properly availed of, would make it one of the best watered tracts in the Presidency. On the West, it is flanked along the entire length by the Sahyadri range, and beyond them the Ratnagiri and Kolaba districts. The rainfall in the Konkan zillas ranges over 100 inches in normal years—the whole of which admits of being impounded on the Ghauts with a view to irrigating the low-lands on the East. The rivers are the Krishna, the Mana, the Nira and their feeders.

The forests cover an area of about 4-5 lakhs of acres and contain valuable timbers, sissu, teak, sandalwood, &c.

The Zilla is at present passing through a severe *phase of agricultural depression.*

The past 15 years have been trying years for the agriculturists, years of deficient or irregular rainfall. *Since* 1890-91 we have *had no good harvest.* Famine conditions still exist. The famine of 1899-1900 was the worst in the century. Last year, again, we had a virtual famine, the *cropped areas*, the *cropping*, the *agricultural stock*, all exhibit a *serious falling off.*

Year.	*Net cropped area in lakhs of acres.*	*Agricultural stock.*	*1888 9*	*1901-2*	
1888-9 ...	17·71	Cattle.	622,099	444,361 (a)	
1890-1 ...	17·98	Horses			
1891-2 ...	17·21	and			
1892-3 ...	16·89	Ponies	15,018	8,010 (b)	
1893-4 ...	16·42	Sheep.	371,490	271,019 (c)	
1894-5 ...	15·95	Carts.	22,098	21,802 (d)	
1895-6 ...	15·86	Goats.	81,899	110,469 (e)	
1896-7 ...	14·93	Ploughs	49,174	50,224 (f)	
1897-8 ...	15·29				
1898-99...	15·22				
1899-1900	14·31	A serious decline in a, b,			
1900-1 ...	14·62	c, d; under e and f, the			
1901-2 ...	14·89	normal increases have al-			
1902-3 ...	14·92	most *disappeared.*			
1903-4 ...	14·85				
1904-5 ...	14·44				
1905-6 ...	8·83				

of which 7·72 failed to mature

The falling off in cropped areas below 1890-1 and 1904-5. —*3·54 lakhs of acres.*

An increasing State demand on the land on a declining agriculture—has added to the ryot's difficulties.

Land Revenue.	
	1888-9.
	Lakhs of Rs.
Khalsa land	12·18
Judi on alienated land	3·20
	15·38
	1903-4.
Khalsa	15·62
Judi or Quiton Inams rent	4·23
	19·85
Net increase during the period	Rs. 4,47,161 or about 29 p. c.

Occupied area.	
1888-9 ...	21·16
1904 5 ...	21·31
An increase of ·15 only	

This year, the agricultural outlook is much better. A few more such seasons, and the present depression will have passed away.

The *permanent features* of the *agricultural position* as we find it in the zilla, may be thus sketched.

	No. of Villages.	Area in acres in lakhs.	*Occupied area* in lakhs of men.	*Area available for cultivation.*
Khalsa ...	965	24·70	17·81	18,532 acres in Khalsa villages.
Alienated...	393	6·21	3·54	735 alienated.
	1,358	30·91	21·32	19,267 acres.

No. and Extent of holdings :—

		Govt.	Inam.
1	Under and up to 5 acres	12,674	5,816
2	Over 5 acres up to 25	25,571	7,457
3	,, 25 ,, 100	16,703	3,116
4	,, 120 ,, 500	1,875	603
5	,, 500	18	49
	Total...	56,841	17,041
		Acres. b.	acres.
	Average area of a holding...	24-27.	20

The system of agriculture holding is mostly *petite culture*. Over 70 p. c. of the holdings average 25 acres and under. The large estates are rare. There is much sub-letting in this zilla as elsewhere.

Land holders and their tenants (census 1891)

Land occupants not cultivating ...	30,615
,, ,, cultivating ...	669,425
,, lessees of villages	3
Tenants and sharers cultivating ...	93,453

Government assessment.—

Khalsa lands	Rs. 15·62 lakhs.
Judi or Quit rent on Inam	,, 4·23 ,,
Total	Rs. 19·85 lakhs.

The prevailing *system of tenure* is *Ryotwari*. The Mirasi tenure does not exist, except in here and there an alienated village.

Average in Khalsa villages per holding	Rs. 27-7-8.
Inam... ... ,,	25-0-0.

Per acre in Khalsa Re. 1-1-9.

Cultivation.—It is for the most part *subsistence farming*. It is largely *unmanured* and *exhausting* cultivation. *Fallowing* is *extensively practised* as a restorative method; even in a normal year as much as 627,281 acres area is left in fallow or 30 p. c. (*e. g.* in 1902-3)—21,19,495 total occupied area.

Rotation is understood but *not much practised.* Jawari, Bajri and pulses occupy the major part of the cropped area year after year.

Exhaustion of the soil—is fast proceeding.

The available margin for extension of village is not over 20,000 acres.

And yet there is little that may be called intensive cultivation—little agricultural improvement.

The *Crop yield*—according to all accounts, is year by year *falling away.*

The *cropping* in 1902-3, a fairly normal year, was as under:—

	lakhs of acres.	acres
Jowari ...	... 5·11	12 lakhs
Bajri ...	... 4·77	75 *p. c.*
Other cereals	... 2·12	Total up to 16·19 lakhs.

Superior cropping—on a comparatively small area, less than *5 p. c.*

Cotton...	10,488 acres.
Sugar cane	11,178
Tobacco	8,386
Garden produce	9,741
Wheat	38,425
	78,218

Irrigation.—The total irrigated area in 1902-3 was 93,811 acres, the net cropped area being 14,92,214 acres, or about 6·7 p. c.

The *rest* of the cropped area was wholly *dependent on the rainfall of the season*—93·8 *p. c.*

The irrigated crops—were,		
	Wheat	20,898 acres.
	Rice	9,094
	Other cereals ...	34,582
	Other food crops ...	9,482
	Sugar-cane ...	11,127
	Other crops ...	27,567
	Total ...	93,811*

* There seems to be some discrepancy in these figures.

including 19,000 of double cropping. Of the irrigated cropping three-quarters is inferior cropping, irrigated owing to failure or deficiency of the later rains.

Manure supply.—The cost of firewood is almost prohibitive: 6 to 8 annas a maund, and though we have a forest area of about 4½ lakhs of acres, no effort is yet made to supply them with a cheap supply of fuel. The cow-dung and other farm-yard manure is consequently for the most part burnt, and little is used as manure. Sheep folding is done on some smaller areas. Rab also here and there is to be met with. But such limited manuring apart, the *cropping of the district*, generally speaking, *is unmanured.*

Ploughing.—There is the deficiency of plough cattle. Oxen and he-buffaloes 177,000 or 88,500 pairs, or a little over a pair per holding. In the case of smaller holdings ploughing is done by hired cattle. *Good ploughing is rare.*

An expanding population with a declining agriculture, and that, too, in a tract where agriculture is the sole surviving industry and which is exposed to the uncertainty of the seasons, naturally finds the struggle for life harder every day. There is practically no margin now left for extension of tilth; and intensive farming is an economic necessity.

Prominent among the *causes* of *such agricultural deterioration* may be mentioned:

1. *Defective irrigation* and water conservancy.

2. *Absence of manures.*

3. *The Ryot's diminishing resourcefulness*—and his gnorance.

As regards *irrigation.*—

The irrigational *equipment of the zilla* is as under:—

(1) *Government canals* and tanks,—Mhasvad main-tank canal, Krishna canal, Revari canal, upper Mari river works, Yerla river irrigation works and Chikhli canal—in all 7 *works.*

Capital outlay about ...	50 lakhs of Rs.	The streams are taken up not far from their sources on this side of the Ghauts.
Area commanded ...	58,000 acres	
,, irrigated ...	28,000 ,,	
Actually irrigated area.	15,828 ,, 1904-5.	

(2) *Wells, budkis etc.*

Pakka and katcha together 26,946 in 1903-4 against 19,206 in 1892-3

Increase since 1892-3 6,740

} Irrigating *56,062 acres* or a trifle over 2 acres each.

(3) There are about *18 irrigating tanks*—with an irrigated area of 155 acres.

(4) Other Sources.—*The Bandhmas—pakka 99, and katcha 6,315*, temporary constructions for the season=6,614, irrigating 35,433 acres or less than 6 acres each. In all irrigating *98,950 acres* or *6·7 p. c. of the cropped area.*

The Zilla lies on the east side of the ghauts, and has a rainfall of about 43 inches. It is a plentiful rainfall for the crops, but it is uncertain. Sometimes scanty and often ill-distributed. Artificial irrigation is therefore one of the primary needs of the agriculture of the district. We *have a splendid source of such irrigational supply* in the *rainfall of the ghauts*—but it lies yet *untapped.*

Much has been done in recent years in the way of well-sinking: some 6,000 wells have been newly sunk. But in a tract like this, such well-supply is necessarily meagre and cannot be depended upon. The geological formation is trappean or basaltic, and we have no underground reservoirs or water-bearing strata of certain occurrence. Well-sinking under such conditions must be more or less in the nature of a speculation. The irrigational capacity can only be small—say 3 acres at the outside to a well. The lift is most expensive; and there is the risk of failure when the need is the greatest.

Government Canals and old tanks go more or less on the faulty plan of catching up the supply when it is scanty and precarious.

The Bandharas, now so few in the district—at one time constituted a most effective scheme of commercial irrigation. They served to impound the rainfall of the plains for agricultural purposes. At present the Patusthal assessment is heavy, about 8–6 rupees per acre, and most of the old weirs are gone; only 100 remain; the rest being temporary structures for the season, of use only for a couple of months or so after the close of the rainy season.

The situation of the Zilla is remarkable. It is divided by the Sahyadris from the coast districts of Ratnagiri and Kolaba on the west, where the rainfall is above 100 inches and is never known to fail. We have also on one side, on the east, a rain fall of over 40 inches. For a tract like this, *what is needed* is a *comprehensive scheme of irrigational works.*

(1) To *catch up the rainfall of the ghauts* at convenient centres, and pour it down on the plains: and

(2) To *bund up* the *fall on the plains* by means of the weirs and utilise it for the lands. *Storage works on the ghauts* —with canals and distributaries, and *bandharas* all over the tract, would give us all the irrigation we should require and serve to render the district immune to seasonal disasters. These *weir channels* would be all communal works—only the assessment on them requires lowering a good deal.

Again, we must have a *proper system of water conservancy.* As things are, streams, channels and runlets get silted up, and the waters spread, and flow on uselessly. Some arrangement would seem to be necessary for the removal of silt, and for the conservancy of these sources of irrigational supply.

Manurial supply.—The ryot must have a *cheap supply of fuel* before he can be expected to use his farmyard manure for his lands. The Forest Department is providing such *fuel reserves.* Besides, the use of *artificial manures* is necessary. The soil is much exhausted, and some such dressing for a few years—necessary with State aid—is desirable.

The Ryot's diminishing resources :—

1. His *losses of crop* and *cattle* during recent years have been crushing.

2. The *enhanced demand* of the *State* on his lands, the enhancement by above 4·4 lakhs *or 29 p. c.*, has added largely to his difficulties and more than sweeps off all his savings.

(3) *His indebtedness is heavy.* We have no means of ascertaining the extent of his existing debts. But we can't be far wrong if we take it that they average—generally speaking—about 10 times the assessment on the land—or say about *Rs. 200 lakhs for the district.* In 1904, his transactions are thus given in the Special Judge's Report :—

	Rs.	
Value of Sale deeds ...	10·84 lakhs.	(The District under the Deccan Agriculturists Relief Act of 1879).
,, Mortgage bonds ...	12·00 ,,	
,, Simple money bonds.	·22 ,,	
Total Rs.	23·06 lakhs.	

Tagai advances and agricultural loans also were given in former years. The balance outstanding at the end of 1904 was 10·82 lakhs.

(4) We have here *no agricultural bank* to give him cheap credit. He gets his money accommodation almost exclusively from the Sawkars. *Money lending* is, however, on the old *individual basis*, and the *interest charge* is heavy, ranging from *9 to 12 and 18 p. c. per annum.*

(5) The Ryot has not the help of commercial organisation, such as he enjoyed in days gone by. The *cohesion of the village community* is unfortunately *a thing of the past.*

(6) *His illiteracy*, his dense ignorance, is *at the root of his misery and poverty.*

Satara district:—Population=11,46,559—
literates=46,795—about 4 per cent.
45,211 males.
1,474 females.*

In Javli Taluka with a population of 25,852 souls, we have persons knowing how to read and write=983 only.

(7) *His system of cultivation* is *primitive and wasteful.*

The Department of Agriculture does not yet send any itinerant teachers to teach him better methods.

Two agricultural associations have been recently formed and are doing useful work.

(1) The *Koyana Valley* (Javli) association, which is doing its work with much vigour, and

(2) The *Karad* agricultural association.

And it is *proposed to establish a Co-operative Credit Society* in Javli *shortly.* Under existing conditions, however, such societies have a poor prospect. The Ryots are at the end of their resources, and must be in a position to save, before they can be expected to exercise thrift.

* There appears to be a slight disprepancy in these figures.

Cattle are fast and *seriously deteriorating*, losing in size, bone and muscle, and our existing plough cattle, already insufficient in number, are less efficient for field work than ever. Some arrangement seems urgently called for with a view *to improve their breed* and *increase their working power.* The Veterinary Department ought to look to this, and ought not to lose a day. *More grazing* is also needed and for it we must look to the Forest Department.

The *agricultural needs of the Zilla* may be *thus summed up* :—

Extended irrigation on a better and more systematic plan by means of storage work on the Ghauts, with a network of distributary canals.

Better manurial supply, including the use of artificial manures.

Improvement in the Ryot's position—

1. The lowering of existing assessment on his lands.
2. Relief for the burden of debts.
3. Cheaper credit.
4. A comprehensive scheme of moral education.
5. Knowledge of better agricultural methods.
6. Association—co-operative organisation—to help him in his work.

Improvement of cattle, more grazing, and better breeding.
Improved cultivation, Superior cropping.
Stock-rearing.

There is a good deal of *uncultivable waste* in the district, the area is 272,469 *acres*, which is not available for cultivation; but a considerable extent of it, including hill-sides, might be utilised as a grazing area. It lies *outside the forest reserves. Stock-rearing ought here to thrive.*

Cattle-breeding—There is not much of cattle-breeding as such in this district as there is in Khandesh or Gujarat, and what little we have is inferior. There is insufficiency in grazing and there is also an insufficiency of breeding bulls and bull-buffaloes. The number of such stud bulls has largely fallen off in recent years. In 1892-3 we had 664 bulls, and 161 bull-

buffaloes=825; in 1901-2, there were only 384 bulls and 155 bull-buffaloes=539, and *for a total of 1358 villages.* This is, however, a branch of the agricultural industry which needs attention. Both the breed and the number of cattle urgently require improvement in the interest of agricultural efficiency.

Horse-breeding.—The Man valley was at one time famous for its horses: but the industry is now almost gone and the number of horses and ponies in the zilla which was 14,012 in 1892-3, is now only 8,010. *Cannot anything be done, with the help and support of the military authorities to revive interest in the work?*

Rearing of sheep and goats—

There is still a considerable population dependent on this industry, over 15,000. In Maratha times, we had a fine breed of sheep and goats, and our woollen industry was one of the most thriving. Now, however, it is a declining branch of rural work. Sheep are reared more for milk, meat and skin than for wool, and the breed is poor. The number has largely decreased since 1892-3, owing chiefly to deficiency of grazing. There are the forest restrictions, and there is little grazing available outside except wayside, tree and hedge vegetation. The yield of wool, too, is meagre—not even 2 lbs. to the fleece, as against 4—5 lbs. in England and other countries.

Shepherds and goatherds ...	10,231
Workers in wool	4,784
Wool carders	282
Wool dealers	194
	15,491

1892-3—1901-2.
Sheeps—371,490—271,019.

Sheep-rearing, however, *for wool supply—deserves encouragement. Babul reserves* might be formed for the purpose *on private waste lands* or *sheep—runs* on the hill-sides.

Gypsum is found in abundance in the zilla, and is a most *excellent manure for grazing lands intended for sheep.* The grass so grown for the sheep is said materially to increase the weight of the fleece.

B.—MINING.

The industry as such is in this zilla *non-existing.*

Formerly the Dharuds did some iron smelting, but owing to the want of fuel and owing to the cheapness of imported iron—it has entirely ceased. The Dharuds earn their living as labourers.

The zilla does not seem to be rich in minerals. We have *Iron, Manganese, Gypsum* and *Copper* and there is some prospecting too going on at present in the district. As regards *Manganese* the official report states (*vide* Geol. Sur. Report Vol. XXXIII. part 2, p. 100):—"The manganese ores of the Mahableshwar, and Yeruli (18°-2′ and 73°-54′) plateau in the Satara district occur as concretions of Psilomelane in a small thickness of laterite soil, resting on the Deccan trap. They never occur in sufficient quantity to pay for extraction, and have probably been formed by concentration of the manganese which all such basic lavas must contain." The *mineral* can have *no commercial value.*

As regards *Iron*, near the Sahyadris, in 20 villages of Javli, 30 of Patan and 3 in Valva, the ore is found in the murum or crumble trap below the laterite—and is found in plenty. There is, however, no coal in the district, a serious disadvantage.

A suggestion may be thrown out. *Iron smelting—and iron works might be started at some coast town* in the *Ratnagiri* collectorate, where *we could get coal easily from Bombay*, and *iron ore* might be mined in this district, and carted to such works—the cartage charge would not be heavy, and certainly not prohibitive.

In Japan, there are such iron works, run at several places, for which the required supply of iron ore is received from China.

For the starting of such iron works in the Konkan, capital and enterprise are needed. The difficulties in the way are considerable, but could be got over.

As to *Gypsum*, it *is a fine manure*; it is in demand in some localities and there is no reason why it should not find a sale in the district itself, and *it ought to pay to mine it.*

En passant, it may be suggested that we should ask, as a necessary condition of practical effort in this direction, that there should be a systematic exploration by an expert of the mineral resources of the zilla. We have had no such exploration yet.

C.—MANUFACTURES.

We have in this zilla, as elsewhere, a considerable number of old traditional crafts giving employment to a considerable

section of the population. They are, however, poor trade concerns and those engaged in them earn but a precarious living. They are run, as of old, on the indivdual basis, and in some cases on a system of advances from the money-lenders or dealers, and without any special training or acquired technical skill—Weaving, metal work, pottery, etc.

We have also the following recently started :—

Soap-making at Satara.

Metal works at Satara.

The Weaving, Dyeing and Trading Company at Wai.

Match-making at Dhome and Karad.

While the old crafts have but a poor chance, *these new beginnings are full of promise.* They are yet in their first stages of growth, and it would be too early to speak of their position or prospects.

It is, however, a pleasure to find that the new movement is under the supervision and guidance of a *strong and representative industrial association* presided over by *Rao Bahadur V. N. Pathak, M. A.*, and it would be of interest to watch the forward steps that might be taken along the new path under its auspices.

It would seem, we had at the start *best concentrate* our *energies on one or two selected industries* for which the zilla affords special facilities. *Sugar refining* and *oil-pressing* (*inter alia*) *would constitute a good beginning.* This is one of the few zillas in this Presidency which has considerable acreages under *sugarcane.* We have about *12—14,000 acres so planted.* Under *oil seeds*, the area is at present about *75,000 acres.* For a sugar factory, the amount of capital required for machinery and plant and working, according to Mr. Jordan, a sugar expert, is Rs. 75,000. An oil-mill would also need a like amount of capital. *The capital, therefore, for these two concerns* would be 1½ *lakhs*, which ought not to be beyond the resources of local enterprise. *Absence of coal* in the district is a *serious drawback.* But should we be fortunate enough to have a few storage works in the Ghauts for irrigational purposes, we should have at our disposal an amount for *electrical power*, which would meet all our requirements in the new effort. It is *this energy* that is being *utilised to an increasing extent in Japan*, and there is no reason why we should let it run to waste.

This opens up a vista of great possibilities of industrial development. But *the one condition precedent* is the *construction of such storage works on the Sahyadri Ghauts.*

The Assistant Secretary saw at Poona:

RAO BAHADUR K. R. GODBOLE; AND MESSRS. N. C. KELKAR AND N. A. DRAVID, and after questioning them obtained the following information.

There are the following private or organised corporate institutions in Poona, where industries are carried on, and the proprietors or shareholders of which receive fair returns on their investments:—1. Reay Paper Mills; 2. Silk and Cotton Manufacturing Co., Ltd. (Mills near the Railway Station); 3. Sugar Factory at Mundhwa; 4. Deccan Brewery Works at Dapudi; 5. Metal Manufacturing Co., in Kasba Peth; 6. Chitra Shala in Sadasiv Peth; 7. Aloe Fibre Works in Sadar Bazaar; 8. Iron Foundries and Factories of Bari and Karanjkar for preparing sugar-cane crushing mills; 9. Victoria Ice Company; 10. Ink Manufactories of Ghorpade, Shinde, Tupe, etc.

A local Gujarati merchant makes *caps* in imitation of Hungarian caps out of Swadeshi material. A large quantity of jaggery is prepared by the growers of sugarcane, and it is mostly, if not wholly, disposed of in the local market. Excellent ivory and blackwood *combs* are prepared at Poona. There are, too, a few small private *pottery* works here and there. Poona has three *metal manufactories* in which iron, brass and aluminium pots are made. At the Technical school workshop, private orders for furniture, etc., are executed. The Silk and Cotton Manufacturing Co.'s mill turns out *silk goods* which are mostly exported to Burma. These include different varieties of sarees, dhoties, pitambars, etc. The concern is heavily indebted. The debenture holders and commission agents earn good profits, but not the shareholders, who have only latterly been getting a small dividend. A new Cotton Spinning and Weaving Mill is in course of erection. The concern has only been recently floated with a capital of 2½ lakhs and is a product of the Swadeshi movement. The Reay or Deccan Paper Mills, where paper of different varieties is manufactured, have only latterly begun to pay. The Mills were established in the time of Lord Reay, and enjoy some substantial concessions from Government in respect of the water-rate charged for the canal water used in their working. Till lately the only customers

of the mill were the Government, but as a result of the Swadeshi enthusiasm there has grown up considerable public demand for the paper of the mills; and at present the mills have for sometime been working at high pressure. Some of the local papers, including the *Kesari*, which has a circulation of nearly 20,000, use the paper of these mills. *Lace*—Kalabatu—is made at Poona. All the lace turned out is consumed locally. Handloom weavers use this lace in preparing bodice cloth for women. *Ghamelas* (*iron pots*) and ordinary *brass pots* and *drinking vessels* are made from imported sheet metal. The workers get enough to make a decent living. There are a few *stone quarries* near Poona. As the industries are mostly pursued by private individuals with a small capital, they are not thriving. There is scope for improvement if organised efforts are made. The small industries, at least some of them, have suffered not so much from competition, but probably because fashions have changed and the demand for those particular kinds of articles ceased to exist. By making advances to artisans at low rates of interests, improving the appliances in use, imparting special instruction to the artisans, as well as by the employment of power—machinery, the local industries may be considerably developed.

Formerly there were wooden mills used for crushing sugarcane. Now for nearly thirty years, however, these have been displaced by iron crushing mills. Now almost all have taken to the use of the iron mills. They were introduced by one Soobrao, a copper-smith, who was a watch-maker. There are two factories, one belonging to Ramji Bari who is a *mali* by caste, and the other also owned by an Indian, where these iron sugar-cane crushing mills are made. They are made out of old iron things like sleepers etc., and are sold at from Rs. 150 to Rs. 200 each. Well-to-do cultivators buy these mills and let them to others in their villages who are thus able to use them.

At present hides and skins and tallow are exported in their raw state. Tallow could be made into soap locally.

The following Banks are working in Poona city and paying dividends to their shareholders at from 10 to 12 per cent per annum:—Bank of Bombay, Poona Branch; Deccan Bank; Mercantile Bank; Poona Bank. These banks get large deposits at from 3½ to 5 per cent per annum, and lend money at rates varying from 6 to 12 per cent per annum. Two of the banks finance two industries. The Deccan Bank has ad-

vanced money to the Gadag Cotton Mills Co. and the Reay Paper Mill, and the Poona Bank to the Cotton and Silk Mill. It must be stated that the organisers of the banks are also the organisers of the industries.

At present there are four educational institutions in Poona city where elementary technical education is given and manual work taught:—1. the workshop attached to the College of Science, Poona; 2. the Jubilee Municipal Technical School; 3. the class for manual training in the New English School; and 4. the Carpentry and Smithy classes in the Punch Howd Mission Schools. Private factories also offer scope for apprenticeship. The instruction given is mostly practical. There are Drawing classes attached in almost all the schools. The College of Science prepares sub-overseers.

Three students have been sent to Japan—one for learning Photography and allied businesses; one for learning Match-making; and one has gone as Baroda State scholar for learning Mining and Metallurgy. The first two have been sent privately by their own guardians, and have only completed their secondary course. The third is a B. A. and will have to serve the Baroda State for ten years.

Mr. G. B. Athavale is an expert in cutlery who learnt his business in England and America. He was in the Miraj State workshop as Cutlery Manufacturer. But the Chief of Miraj is said to be unwilling to invest a large sum in the concern, and Mr. Athavale has accordingly gone over to Poona to see if he could induce some capitalist to go in for the cutlery business on a large scale by investing, say a lakh of rupees in it.

Mr. Shejwalkar, a physician by profession, knows the art of calico-printing and has a small concern in his charge. He employs only manual labour. His chief difficulty is that nobody is prepared to finance him. Since the Swadeshi movement has caught popular fancy, however, he has been faring better. At present he sells his cloth through the manager of the Chitra Shala Press.

There is another person, an artisan by caste, who is making umbrellas out of Swadeshi materials, except for the steel wire which is imported from England and the stick which is imported from Java. He was formerly employed in the Telegraph Department. He is a mechanical engineer himself, though he

has not passed the examination. He has succeeded in his experiments, and is now fitting up his factory. Business will be commenced very soon on a commercial scale, and he expects to turn out umbrellas at the rate of one hundred per day. For the present he is working with his own capital; but as demand increases he intends to convert the business into a joint stock concern. Those who have seen the umbrellas say that they are as good as Japanese ones, while they will be sold at a slightly lower price. There is a Swadeshi co-operative stores. There is another Swadeshi Stores in Budhwar Peth, under Mr. Krisandas Vishnudas, where all Swadeshi goods, and cloth and stationery in particular, are sold at cheap rates. Of Swadeshi stationery shops there are many. Besides country-made articles are sold by almost all the shopkeepers larger in quantities than before.

In a pamphlet entitled "Industrial Activities in Poona" which Rao Bahadur K. R. Godbole, B. A., M. C. E., has published and from which some of the information given above is taken, it is stated that a Metal Manufacturing Co., a Dye Co., two Pencil factories, a Saw Mill Co., two Flour Mills worked by water power and steam power respectively, Oil Presses, and a Spinning and Weaving Co., worked by water power, were all started at Poona at one time or another, but that they have all failed on account of some reason or other. The Reay Industrial Museum which was started on the 1st of April 1890 and which was to comprise besides the Museum proper, a sale section, an export branch, and import branch, an information branch, a Library and a Reading Room, is now in a decadent condition. And the Industrial Association of Western India, which did good work in the first few years of its existence, has according to Mr. Godbole, fallen into a moribund condition. Mr. Godbole urges, as steps that can be immediately taken at Poona to further the cause of industrial progress, the renovation of the Reay Industrial Museum and the resuscitation of the Industrial Association of Western India.

An important step in the history of Industrial Poona, is the early foundation of the Ranade Economic Institute of which the

Hon'ble Mr. G. K. Gokhale, C.I.E., is the Secretary. The public have contributed liberally towards this project of which the objects are stated as follows :—" (*a*) To collect all available information about past and present industrial undertakings and present and future industrial possibilities in India ; (*b*) to collect statistical, historical and other information about other countries, which is likely to be useful to the industrial progress of India ; (*c*) to publish from time to time reviews by competent persons of the Economic position, needs and prospects of India ; (*d*) to send, as funds permit, scholars with good qualifications in Science, Engineering or Technical Arts, to England, Japan and other foreign countries to learn the manufacture of those articles for which there is a plentiful supply of raw material in this country, and which might therefore be profitably manufactured here ; (*e*) to provide facilities to such scholars, on their return to India, to enable them to demonstrate by experiments, on a small scale, that the manufactures in question can be profitably started ; (*f*) to advance in other ways the Industrial development of the country."

INDIAN VERNACULARS AND UNIVERSITY REFORM.*

The entire exclusion of the modern Vernaculars of India from the present programme of higher studies of the Bombay University suggests an educational problem of considerable importance to the future of intellectual progress in this country. In the accompanying Note on the Vernaculars of India, it is attempted to state this problem as clearly and concisely as possible, and to offer a solution. These remarks are based on Beames' Comparative Grammar of the Modern Aryan Languages of India (Introduction), Hoemle's Comparative Grammar of the Gaudian Languages (Introduction), and Caldwell's Comparative Dravidian Grammar (Introduction).

1. The modern languages of India are 13 in number, of which 7 belong to the Sanskritic stock, and 6 to the Dravidian. The Sanskritic group comprises Hindi, *Bengali*, *Brija*, *Panjabi*, Sindhi, Gujerathi, and Marathi; while Tamil, *Telegu*, Kanarese, Malayalum, Tulao, and Coorg are the members of the Dravidian family.

2. The rise of these languages was almost synchronous with that of their modern European sisters. It was about the 9th or 10th century that the Sanskritic Vernaculars began to separate themselves from their parent classical, and assume their modern analytical form. Hindi, the most advanced of them, was the first to develop itself as an independent language by casting away the Sanskrit cumbrous system of inflexion and declension. Panjabi and Guzerathi followed next in order, and Marathi reached the analytical stage about the 12th century. Bengali and Brija, originally dialects of Hindi, separated themselves from that speech, the one about the 15th, and the other about the 17th century. Little is known about Sindhi.

The epoch of development of the Dravidian group is uncertain; but Tamil, the head of the family, is believed to have been a full grown Vernacular long before the 8th century.

3. The languages of the Sanskritic group cover an estimated area of 717,000 English square miles, and are spoken

* This contribution appeared in the Journal of the Poona Sarvajanika Sabha, October 1881.

by 144 millions of souls, as will appear from the table given below :—

Language.	Area in Eng. sq. miles.	Population in millions.
Hindi	248,000	60-70
Bengali.	90,000	36
Brija	66,000	5
Panjabi	60,000	12
Sindhi	90,000	2
Gujerathi...	50,000	6
Marathi	113,000	13
Total...	717,000	134–144

Dr. Caldwell gives the following figures for the Dravidian family, including "the Dravidian inhabitants of Ceylon, and the Dravidian immigrants in Burma, the Eastern Archipelago, Mauritius, and Demerara" (Page 41, Introduction).

Language.	Numbers.
Tamil	14,500,000
Telegu	15,500,000
Canarese...	9,250,000
Malayalum	3,750,000
Tulao	300,000
Coorg	150,000
Total...	43,450,000

4. These languages are full-grown languages, each with its own Grammar and settled idiom, and are as thoroughly nationalized in their respective provinces as any of the modern languages of Europe.

5. Literature, in the sense of written works, we have in all these languages, Sindhi and Tulao excepted.

It must be admitted that our Indian Vernacular Literature has not had the healthy growth of the modern European Vernaculars. During the greater part of the existence of our Indian Vernaculars, conditions essential to literary progress were unhappily absent, and the dark period of lawless mis-rule and chronic insecurity was not propitious for a vigorou literary start. Men's thoughts were absorbingly taken up with the physical necessities of their social and political situation, which often left them no middle course between passive acquiescence in the tyranny of the ruling class, and open resort to physical force. The nations did not breathe freely, and in the oppressive gloom of the general situation there was little on which contemporary poetry would love to dwell, or of which contemporary prose would leave a record.

The Hindu races, however, though they were unable to resist the first shock, were not prostrated by it; Rajpoot, Maratha, and Jat chivalry nobly strove to resist the torrent, and the struggle called out all the best energies of the nations. The pulse of national life began to beat high, and in the end the Mahomedan tyrant learned to temporize, and respected the national feeling, and employed Rajpoot Governors and Hindu statesmen to conquer and rule and settle the country. Serious thoughts and feeling were stirring in the national mind, and they found expression in the works of the representative men of the period. These two classes of works constitute our modern Vernacular literature of the early and later Mahomedan periods.

It is at first the literature of a conquered nation, groaning under the weight of its burdens; later on it is the literature of a nation, which, though conquered, makes slow efforts to rise, speaking the language now of despair, now of patience, finally of hope and defiance. For us it has a special interest as embodying the thoughts and sentiments of our immediate ancestors who nobly struggled, against heavy odds and for a long period, to maintain amidst the general wreck the traditions and aspirations of a happier and freer age—the *nucleus* of an independent nationality. The literature of this period must ever be to us an object of loving regard and care, whatever may be our view of its philological and other value.

As in all other countries, verse rather than prose, was, in the first instance, the chosen vehicle of expression. Whether this choice was due to its melodious impressiveness or traditional veneration, we know not; but at a time when there were no printing presses in the country to multiply, cheapen, and immortalize works, when there was no system of national education to produce a large reading public, when there were no public libraries with works available for general reference, when, in short, memory had largely to be trusted to keep fresh sound notions in the popular mind, it was well that it was so. Later on, when the more energetic nationalities, Maratha, Jat, Sikh, and Rajpoot, threw off the yoke of conquest, and established independent states on the ruins of the Moslem power, literature aspired also to be more free and diversified and popular in its scope and expression.

Turning next to the several departments of literary activity, the position of the Vernacular Literature of the pre-British period may be thus briefly sketched:—

(*a*) *Physics*. We have no literature on this subject worth the name in our Vernaculars, if we except works in Tamil on Medicine, Alchemy and Astronomy, which appeared in the 16th and 17th centuries. There was no advance in this direction in the country north of the Tungabhadra. The Tamil country, however, having been long exempt from the blasting Semitic influences, could show a *normal* advance. The *Sittar* school especially "cultivated alchemy (*Rasayana*) as sedulously as the Arabians." "One of their numbers is said to have visited Arabia, and another refers to the Franks" (*Vide* Caldvell's Grammar, Introduction, Page 146—the anti-Brahmanical cycle).

(*b*) *Politics*. There is at first a lamentable absence of works in this department. A deadening absolutist uniformity reigned throughout the land, allowing no room for argument, no scope for reason. Appeals might, indeed, have been made at intervals and in various parts of the country to happier traditions of a chivalrous or patriarchal age; but in the absence of authentic records, we must suspend judgment. Later on as the nations recovered their integrity after the confusion of the first shock, there is perceptible progress in healthy activity. We commend to public notice in this connection Raja Jesvant Sing's letter to Aurangazib on the Jezia, (preserved at Kolhapur as Shivaji's production, *Vide* Grant Duff, Vol I, page. 160).

Whether conceived and written by Jeśvant Sing or Shivaji, the letter is a remarkable political paper, a vigorous protest against the traditions of prostrate servility, and a powerful appeal to wiser and nobler precedents. It serves to show that the political spark was fully kindled in the nation. We might also mention the constitution of Shivaji, the statistics of his military organization and his hill forts, the exhortations of Ramdas and the other Swamis, the short speeches of Maratha Sirdars in the great councils of Shahu, and the numerous state-papers written by our Maratha statesmen and generals to which Grant Duff so often refers in his work, and from which he derives so much of his information. When published, they would form a contribution to our politico-historical literature of no mean value.

(*c*) *History.* In this department we have a bright opening. Chandbardai, the Chaucer of Hindi, who lived at the court of Prithviraj, the last Hindu ruler of Delhi, at the end of the 12th century, wrote a splendid epic, styled the Prithviraj Rasan, recounting the exploits of that monarch. Here also we may refer to a vast body of unwritten poetry of the bards of more or less historical value in Panjabi and Sindhi. Lastly, we have numberless Rajput Chronicles, and the songs of the Charans and Bhats. No progress, however, appears to have been made by these Northern races beyond this stage of lyric or heroic history.

On this side of India, however, during the brief sun-shine of Maratha *Swarajya*, the Deccan mind awoke and for a full century and a half Maratha statesmen and generals, Maharashtra Pandits and poets, and religious teachers, and Chroniclers were recognized as the leaders of national thought and activity throughout India. Bakhars were written, and Powadas and Lawanyas were composed, both interesting and useful to the student of Indian history. While no systematic effort has, as far as we are aware of, yet been made to save the latter, we are glad that the former are being collected and printed. It would be too soon yet to say what their merits are as historical works; but we may mention "the story of the Panipat disaster, 1761" brought out by a Poona Society, which appears to be a fine work of its kind, whether we consider the touching simplicity o its language, or the fullness and connectedness of the narrative.

Beyond these limits, our historical literature, properly so called, does not go. But love of history is natural to the human mind. From the spectacle of a general ship-wreck all round,

men during the earlier and darker period of Indian history turned with relief to brighter and happier memories of a remote past. The Purans were largely drawn upon; and versions of the Mahabharat and Ramayana appeared in most of our Vernaculars. These versions have enjoyed great popularity and wide currency, as they eminently suited the wants of the age. Semi-historical, semi-religious, they at once satisfied the popular craving for history, and met the requirements of a decaying priesthood. We would particularly mention the following works :—

The Ramayana of Tulsidas (1541-1624 A. D.) in Hindi.

The Mahabharat of Kasidas (17th Century) in Bengali.

The Pauranic works of Upendro-Bhanj (16th Century) in Brija.

The works of Shridhar, Waman, Moropant, Eknath, Amritrai, Raghunath Pandit (1600-1800 A. D.) in Marathi.

After these Pauranic works, we would notice chronicles of saints and devotees, such as the Guru-charitra and Mahipati's Bhakti-vijaya.

(*d*) In other departments, we have a copious literature in our Vernaculars.

(1) *Linguistic.* We would mention the following:—

Nannaya's Telgu Grammar (12th Century).

Keshava's Canarese Grammar (1170 A. D).

The Tol-kappiyam, a Tamil Grammar (10th Century).

Sendamar's Tamil Dictionary, styled Divakaran.

[*N. B.*—These works show that, in the Tamil country, the languages took a healthy start under normal conditions. There are scarcely any standard works in this department in the Sanskritic Vernaculars, which have had a more troubled existence.]

(2) *Philosophical.*

[In the Tamil country, many philosophical works "in explanation of the Vedantic and Saiva Siddhant doctrines" appeared in the 16th and 17th centuries under Pandya rule.]

The following deserve notice under this head:—

1. The Vethi-Verkai of Ati-Vira-rama, the poet king (1565-1605) in Tamil.
2. Dnyaneshvar's Dnyaneshvari (13th Century), and Mukteshwar's and Waman's works in Marathi.
3. Din-Krishnadas's Bhagvat-gita (16th Century) in Brija.
4. Ramdasa's Dasabodha (17th Century) in Marathi.

[*N. B.*—Our works in this branch yield to none in illustrative richness of thought and method of treatment.]

(3) *Moral.*

1. The Naladiyan by a Jaina in Tamil (12th Century).
2. Vemana's Moral Aphorisms in Telgu (14th-15th Century).
3. Din-Krishnadas's Rasu-Kalhola (16th Century) in Brija.
4. Ramadasa's works (17th Century) in Marathi, especially his *Samasa Atmarama.*

(4) *Devotional.*

The literature under this head is abnormally copious. It is the literature of the great devotional movement, represented by Chaitanya in Bengal, Kabir in N. W. India, Tukaram in the Deccan, and Ramananda in Southern India. It is coloured all through by a gloomy view of human life, and a deep sense of man's helplessness, and marked by a general tone of despair. As illustrative of the social condition of the period which induced such a view of man's life on earth, it is historically invaluable.

A conviction of helplessness seems to have settled on the national mind when no efforts availed against the prevalent evils. Despair of amelioration here by earthly means and by earthly agents seized on the national heart; prayers to earthly magistrates failed, and were naturally followed by prayers addressed to Heaven. These thoughts, being ventilated and purified by a strong religious current, which at such time always sets in, assumed, we believe, the form of devotionalism

in India. Life was not worth living; and the prevailing sentiment among the suffering masses of Indian peasantry might not be incorrectly described in the touching words of the persecuted Stoic of the declining Roman Empire, who cried, "Life would be intolerable, were it not for death!"

"Turn your thoughts from evanescent life here to eternal life here-after; turn away from the deceitful pleasures of this world to seek by acts of devotion true happiness in heaven; rely on God's help, resign yourself to His Omni-potent will; place Faith in Him; centre your mind and heart at the feet of Vithoba or Vishnu; and then you shall be absolved from the thousand and one miseries of a second life on earth."—this in short is the burden of the teaching of our great devotionalist writers. That this teaching became so popular is a fact pregnant with meaning to the historical inquirer. In another view also these works are full of interest. They represent the vein of what may well be called the Hindu Protestant thought, a protest against tradition and ritual, and a recognition of the spirit as opposed to the letter of religious teaching.

The following works may be mentioned in this connection:—

(1) Chaitanya's works in Bengali (14th Century).

(2) Tukarama, Ramdas, Dnyandev, Namdev, Eknath, Shridhar, in Marathi (17th Century).

(3) Nabhji's Bhakti-mala in Hindi (16th Century).

(4) Manikya Vacha-kshara's Saira Hymns (14th Century).

6. In the preceding brief sketch of our Vernacular Literatures, we have not taken into account, as said before, the publications of the British period. With regard to these, we would only remark that though they are not as original, varied, or good as they ought to be, considering the changed conditions of the situation, they mark a decided and gratifying improvement both in tone and in style. The progress of the Bengalees is described as the most rapid and striking in all fields of literary effort. In regard to Marathi, the progress has not been equally striking; yet it has got a Dictionary and Grammar of its own in this period, and the Marathi literature of the British period consists of translations from the classical standard works, especially the drama, a few histories, and biographies, medical

treatises, some original compositions in dramatic and poetic literature, and prose essays on detached subjects, making in all about 1000 new works in all departments.

7. Our modern Vernacular Literature would thus appear to be not only respectable but useful, and therefore worthy of the critical study of the Indian scholar; though it cannot compare either in quantity or in extent with the enormous development of the literatures of modern Europe.

8. From the foregoing introductory remarks it appears:

(1) That our Vernaculars are not the crude dialects they are often supposed to be, but are as full grown languages as any of modern Europe;

(2) That they are spoken over wide areas and by large numbers, and are the perfectly nationalized languages of their respective provinces;

(3) And that they have valuable and interesting literatures.

9. These are, in our humble opinion, very strong claims to their admission to the courses of the University. But their claims are unfortunately ignored in the present arrangements. No place is assigned to our living languages in the higher curriculum of the Bombay University, the candidate's Vernacular comes in *only* for the Entrance Examination, and even there only as an alternative language to a classical. The exclusion of our Vernaculars is thus almost thorough; and we see its reflex effect in their un-natural and un-scientific dis-sociation from their parent classical, which is a notable feature of our present school and college courses of study. Wherever Sanskrit is taught, the Vernaculars are not; wherever the Vernaculars are taught, Sanskrit is not.*

10. It is to this exclusion of the living native element from the linguistic courses of the Bombay University, as at present arranged, that we request special attention in the following remarks.

11. The question for consideration is, 'Is or is not this exclusion an anomaly and an evil?'

* The Training Colleges alone form a remarkable exception, where Sanskrit is taught along with the Vernaculars.

12. We consider that it is *both* an anomaly and an evil, and we shall proceed to state, as clearly as we can, our grounds for this opinion.

To begin,—(1) Languages both ancient and modern, History, Mathematics and Physics are admittedly the chief factors of liberal culture: but no system of liberal training seems worthy of the name, that is not calculated to create and strengthen in the young mind a feeling of solidarity with the present, a feeling of continuity with the past, deductive accuracy of reasoning from generals to particulars, and a firm inductive belief in the invariability of Nature's Laws. These four co-ordinate branches of liberal study accordingly find, if we are not much mis-informed, ample recognition in the courses of the Universities of modern Europe. The Bombay University, however, takes a line of its own in opposition to the whole current of modern thought and progress, and, while allowing the claims of the last three and to some extent of ancient languages, all but excludes the modern languages from its schemes of higher studies.

(2) As things stand, the only linguistic requirement of the Bombay University consists of a knowledge of English and a classical. No other language finds a place as a necessary branch even for the special linguistic degree.

Now, English deservedly holds a prominent place, as the language of the rulers of the land, as the language of advanced civilization, and as the language of communication between the East and the West. Without it, Europe would be a sealed book to us. So again, a classical, be it Sanskrit or its sister Persian, or any other, has a title to the place assigned to it in the higher courses, as the language of ancient thought and ancient civilization. A knowledge of both these languages is undoubtedly of great value to the University graduate. By his acquaintance with English, he is in a position to know how Europe thinks, feels, and acts; by his knowledge of classical, he is able to read the thoughts and feelings of a remote past by which those of the present are directly or indirectly moulded and coloured. But we would respectfully ask, what means has our graduate under the present arrangements, of studying through *their own literatures* his brethren in other parts of the country, except through the at best imperfect and refracting medium of a foreign tongue? We see none.

(3) The poverty of modern Vernacular literature is sometimes alleged as a reason to justify the exclusion of the modern languages of the country from the curriculum of the University. Now, without denying the allegation of the poverty of modern Indian literature, we would submit, that so far from being a reason for their exclusion, it is a strong argument for the admission of our vernaculars to the programme of higher studies. In this connection it is important to mark the difference between the vernaculars of a country and foreign languages; for while we study the latter for the cultivation of our thought and sentiment, we learn the former to some extent for their own sake.

Our vernaculars are a part of our national inheritance to which we have succeeded, they have been preserved in their present state by the energetic efforts of our ancestors, and we assert, without fear of contradiction, that it is our *solemn*, as it must be our *loving*, duty to hand them down to our successors improved and enriched, if possible, under the altered conditions of life under British rule, or at any rate unimpaired. We should, therefore, be extremely jealous of everything that impedes the successful cultivation of our Indian vernaculars. On this, if on no other, ground, we think we may justly complain of an arrangement which ignores their claims, casts them into the back ground, and prevents their due appreciation and critical study.

(4) This exclusion of our Vernaculars, moreover, is opposed both to the letter and the spirit of our Educational Charter,—we mean, the great Education Despatch of 1854, which strikes the true key-note of the whole question. In para 32 of this Despatch we read:—"It would greatly encourage the cultivation of the vernacular languages of India, if Professorships should be founded for those languages, and perhaps, also for Sanskrit, Arabic, and Persian. A knowledge of the Sanskrit language, the root of the Vernaculars of the greater part of India, is more especially necessary to those who are engaged in the work of composition in these languages; while Arabic, through Persian, is one of the component parts of the Urdu language, which extends over so large a part of Hindustan, and, is, we are informed, capable of considerable development. The grammar of these languages, and their application to the improvement of the spoken languages of the country, are the points to which the attention of these Professors should be mainly directed." We commend this remarkable para of our

Magna Charta of higher education to the thoughtful attention of our readers. How sound is the principle it enunciates, how correct the conception on which it is founded, and with what telling force it speaks against the exclusion of our Vernaculars from the University course and their consequent dis-sociation from their parent classicals, we would leave the reader to judge for himself without seeking to spoil the effect by any feeble comment of our own.

13. These and such other considerations lead us to think that the exclusion of the modern native element from the higher University course is a wide departure from sound principles, and a strange anomaly in the 19th century.

14. A study of the effects of this exclusion will convince the reader that the anomaly is not only *not beneficial*,—which, by the way, were it so, would be its ample justification,—but positively *fatal*,—fatal to the cause of liberal education, fatal to intellectual progress, and fatal to the highest interest of the nation. We proceed to mention some of these:—

(1) The study of classical language is deprived of half its interest and value, when separated from the languages of which it is the parent, for the philological connection of the two is thus wholly kept out of view. Sanskrit, for example, is, we think, studied in our schools and Colleges much more for its justly valued literature than for its affinity to the seven Vernaculars which are spoken from the southern ridges of the Himalayas to the banks of the historical Tungabhadra. Some, we fear, do not even mark the connection, and are struck with surprise when its remarked that "Hindi is the eldest daughter of Sanskrit". The classical grammars, again, on which so much time is spent by our students, are not put to much philological use in the elucidation of the forms and idioms of the living languages of the country. But what is worse, this enforced separation from their parent classical greatly retards the improvement of our Vernaculars, and prevents the growth of an expansive Vernacular literature.

No doubt, a beginning has been made,—thanks to the patriotic exertions of our scholars,—in developing the Vernaculars both in their literary and philological aspects. But as far as we can judge from Government Reports on Publications in British India, (*Vide* for instance the Report for Bengal for 1877-78) we feel inclined to think that the start is not so vigorous as it might have been under more normal conditions.

(2) The comparative study of the modern languages of India has hitherto been almost entirely confined to European scholars. But, we would ask, is this not a field of research peculiarly our own,—a field in which it is possible for us to attain to special excellence,—a field, moreover, in which our scholars like Vararuchi of the pre-Semitic period once distinguished themselves so much? Our reputation, inherited, from a by-gone age, as lovers of grammar and philology, of logic and method, is indeed great; but it is painful to reflect how little we have done to sustain it, with our superior advantages during the three and twenty years which have elapsed since the foundation of our Indian Universities. Surely, as long as our modern languages are excluded from the scheme of higher studies, we see no reason to hope that many native scholars will ever be able to enter this field under a system of training which does not even make a beginning in the study of comparative Philology. Native Hoemles and Caldwells must be rare phenomena under the present arrangements.

(3) Our Vernacular literatures, though cast in a peculiar mould in consequence of the exceptional circumstances attending their development, deserve careful study for purposes both of philology and history. We shall illustrate the point by remarking, without meaning offence to any of our University-graduates, that not even one in twenty of them knows, or has ever read, of the immortal works of Chand-bardai, Nannagee, or Ati-vira-rama. This being so, can it be thought strange that Indian History has not yet been studied in a philological or comprehensive spirit? What else, we ask, can we expect from a system under which our students read more of Milton, Racine, and Goethe than of Ramdas and Tukaram?

(4) However much we may deplore it, it is an undeniable fact, that the gulf is widening by slow degrees between the educated classes and the masses in the country. Several causes might be assigned for it; but it seems to us not a little owing to the anomalous exclusion of our Vernaculars from the courses of the University. While our University-men, trained under a system of linguistic studies, at once exclusive and unhistorical, disconnect themselves from the history of the country, the vernacular masses, who have little else to stand upon except the traditions of the past, set their faces firmly against the abstract lectures we read to them, feel no sympathy with our unhistorical descants on national degeneracy, and give us little help in our theoretical projects of reform.

(5) The Vernaculars of the country being excluded from all higher schemes of study, there is absolutely, as things are, no direct medium of intercourse between the educated classes of our several Indian provinces. Sanskrit is not now what it once was "a pass-word to the hearts and understandings of all the learned in the land," and does not serve, as it once admirably did, as the medium of inter-provincial communication. Owing to the absence of such a general *Lingua Franca*, no direct intellectual intercourse has yet sprung up between the educated classes of the several parts of India. A Marathi or Guzerathi graduate of the University of Bombay, accordingly, as soon as he steps beyond the Marathi or Guzerathi area finds himself, unless he has transformed himself by subsequent study, a perfect stranger unable to speak or understand the language of those around him; nor does he ever care to know of his Bengali or Punjabi brother anything beyond that he worships the same gods, and bathes in the same sacred waters with himself, living in peace and comfort under the British raj. What would be thought, we ask, of an Oxford-graduate, should he find himself in that predicament across the Channel; or of a Berlin graduate who should be in the same awkward position beyond the Alps? And yet such is the case with the graduates of the Bombay University generally. There are honorable exceptions; but we are speaking of the class as a whole.

(6) Linguistic barriers are being slowly erected separating the several Indian populations, which, we fear, would in course of time stiffen into provincial barriers, harder and less passable than physical barriers, if nothing should be done in the mean-while to arrest the progress of the evil. We pointedly emphasize this effect of the exclusion of our Vernaculars as a very serious one.

(7) Lastly, we would draw attention to a sad political consequence of the present system of linguistic studies. Creating and confirming *separatist* tendencies, so fatal to a nation's compactness, it appears to us positively to hinder the formation of broad sympathies, the unification of advanced Indian thought and the organization of Indian public opinion, which are all important political factors. As a consequence, under the present arrangements, what in Europe is called a feeling of solidarity cannot grow among the different populations of the Indian peninsula.

15. Considering these and such other evils, directly or indirectly traceable to it, we contend that the exclusion of the

modern languages of the country from the programme of higher studies is not only an anomaly, but an evil of considerable magnitude.

16. We trust our educated classes will see reason to join with us in this contention, and press firmly and unanimously the claims of our Vernaculars upon the attention of the University of Bombay.

17. The whole question is of very great moment, especially in its political bearings. How much this element of modern languages in the courses of the European Universities has done for the rise and growth of the European nationalities, is known to every student of European History. If only allowed a fair trial in India, does not analogy encourage, and what is there to forbid, the hope that it could do quite as much for our great Indian nationalities?

18. It is time, therefore, that we should fight once more the old 'Battle of the Vernaculars'. Ten years ago this battle of the vernaculars was fought, but lost chiefly through native apathy and indifference. Let us again 'take the field,' and success will depend upon the unanimity with which we act. An unanimous and emphatic protest against this exclusion enforced by native public opinion will, we feel sure, compel attention to the subject; and the displacement of the Vernaculars, which was only effected by a sort of surprise, will cease to be the one great blot of our educational charter.

19. The task is indeed a hard one, but it is worth attempting. If we are to fail, as we unfortunately did ten years ago, let us fail with the consciousness of having done our duty. But we see no reason to despair. The fight now is not between Vernaculars and the classical languages as formerly, but for allowing vernaculars a place by the side of the classicals. There is ground for hoping that the claims of our Vernaculars will be considered and recognised, if only strongly supported by public opinion.

20. When this fatal anomaly of the present programme of higher linguistic studies is once widely admitted, the threshold is crossed. And then, the question for consideration will be, what proposals should be recommended to the University to remedy the evil, and remove the anomaly?

21. The problem we shall then have to solve may be stated, in other words, as follows:—

How to arrange the linguistic courses of the University, without unduly adding to their difficulty, so as at once to recognise philological connection between the Vernaculars and their parent classicals by admitting the former along with the latter, and to secure what may be called linguistic and national solidarity.

22. If this statement of the problem is not inaccurate, it suggests its own solution.

23. The two groups of our Vernaculars are so constituted that one language in either may well be regarded as the *representative-intermediary* of the rest. By a language *representative-intermediary*, we mean a language which represents in its main lines the structural development of the entire group, and which at the same time stands midway between the parent classical and the other languages derived from it, as their intermediary. Which language is such a representative-intermediary language in either group is an open question, on which opinions might differ, but the existence of such a one in each of the two groups is admitted, and forms the basis of our solution.

24. According to Mr. Beames and Mr. Caldwell, Hindi in the Sanskritic group, and Tamil in the Dravidian are such representative-intermediary languages.

25. In the opinion of the learned author of the "Comparative Grammar of the modern Aryan Languages of India," Hindi is the oldest, the richest, and the finest language in the Sanskrit group. It stands first in perfection of structure as in the date of its formation. It is the language of that Indian home and radiating centre of Aryan civilization,—we mean the upper Gangetic Valley. It is "the eldest daughter of Sanskrit". From it as an intermediary, are derived Punjabi, Guzerathi, Sindhi, Bengali and Brija. Marathi too has, according to Molesworth, largely borrowed from it. "It is.....the legitimate heir of the Sanskrit," says Mr. Beames (Vide Grammar Vol. 1, page 31) "and fills that place in the modern Indian system which Sanskrit filled in the old." Lastly it is the *Lingua Franca* of the Indian Continent.

26. So again, Tamil is, as Dr. Caldwell says in his learned Dravidian Grammar, (Vide page 9—Introduction), "probably the earliest cultivated of all the Dravidian idioms, the most copious, and that which contains the largest portion, and

the richest variety of indubitably ancient forms." It seems, therefore, to stand to the other members of the Dravidian group in the same relation in which Hindi stands to the other languages of the Sanskritic group.

27. We base our solution of the question stated above on this peculiarity of our Vernacular groups, and recommend that these two languages, Hindi and Tamil, representative-intermediaries in their respective groups, may be proposed for admission to the courses of the University with free option allowed as between them, coupled with the Candidate's Vernacular. Hindi and Tamil, being typical of their own groups, would give the candidate access to, and command over, the groups themselves, and would thus form the element of solidarity in our linguistic courses; while the Candidate's Vernacular, coming in along with one or the other of these typical languages and its parent classical, would find its proper place in the system of Indian linguistic studies. The admission of the three, Sanskrit or other classical, Hindi or Tamil, and the vernacular of the Candidate would be a substantial recognition of the claims of our Vernaculars as a whole.

28. The admission of the Candidate's Vernacular alone as a necessary subject for the degrees does not seem to us to meet the requirements of the case; for it realizes only half of the main idea, and fails to give us that element of solidarity which we most require.

29. We propose at first to reach only those of our University Candidates who take up languages for the degrees. Accordingly, we suggest below changes only in the special linguistic courses of the University. The scope of our proposals has been thus advisedly narrowed by us as a commencement, because no scheme can have the least chance of acceptance that proposes too wide a departure from the existing system.

30. For the sake of easy reference we give below two tables, the first of which, Table A, gives our proposal in detail,

while the second, Table B, sets forth the extent of change suggested and our reasons for the same. We earnestly request a critical perusal and consideration of the scheme submitted and of the arguments advanced in its support.

TABLE A.

Linguistic courses, as at present arranged. (Vide U. Calendar 1880-81.)	Changes suggested.
MATRICULATION.	
I. Languages.—Two papers. 1. English. 2. One of the following:—Sanskrit, French, Hindustani, Greek, Portuguese, Persian, Latin, Marathi, Sindhi, Hebrew, Gujerathi, Arabic, Kanarese. (Vide page 53.)	I. Languages.—Three papers. 1. English. 2. One of the following:—Sanskrit, Latin, Arabic, Greek, Hebrew, Persian. 3. The Candidate's Vernacular.
THE PREVIOUS EXAMINATION.	
I. Languages.—4 papers. 1. English—2 papers. 2. One of the following:—2 papers. Sanskrit, Latin, Arabic, Greek, Hebrew, Persian. (Vide Pages 55-56.)	I. Languages.—4 papers. 1. English—2 papers. 2. One of the following:—1 paper. Sanskrit, Latin, Arabic, Greek, Hebrew, Persian. 3. History of the growth and literature (1 paper) of the classical taken up by the candidate.
FIRST EXAMINATION FOR B. A.	
I. Languages. II. Mathematics.	I. Languages. II. (*a*) Mathematics or (*b*) Languages.
I. Languages—4 papers. 1. English. 2. One of the following:—Sanskrit, Latin, Arabic,	I. Languages. 1. English. 2. One of the following:—

Greek, Hebrew, Persian.
II. Mathematics :—2 papers.
Euclid, Conic Sections.
Statics, Trigonometry &c.
(Vide page 57.)

Sanskrit, Latin, Arabic,
Greek, Hebrew, Persian.
II. (*a*) Mathematics (Euclid,
Conic Sections &c.)
or
(*b*) Languages (2)
(1) The Candidate's Vernacular
and
{(1) Hindi or Tamil / or / (2) French or German} with rudiments of Philology.

SECOND EXAMINATION FOR B. A.

I. Languages.
II. One of the following groups :—
A. Languages and Literature.
B. History and Political Economy.
C. Logic and Moral Philosophy.
D. Mathematics.
E. Natural Science.

I. Languages.
1. English.
2. One of the following :—
Sanskrit, Latin, Arabic,
Greek, Hebrew, Persian.
II. Groups.
A. Languages and Literature.
1. English.
2. One of the six classicals.
(Vide page 81.)
N.B.—For the linguistic degree English and a classical come in twice over.

I. Languages.
II. One of the following groups :—
A. Languages and Literature.
B. History and Political Economy.
C. Logic and Moral Philosophy.
D. Mathematics.
E. Natural Science.

I. Languages.
1. English.
2. One of the following :—
Sanskrit, Latin, Arabic
Greek, Hebrew, Persian.
II. Groups.
A. Languages and Literature
(*a*) { 1 Hindi or Tamil, with Philology and History of Vernacular Literature. / or / 2 French or German with Philology and History of European Literature. }
(*b*) The Candidate's Vernacular.

M. A. EXAMINATION.

One of the following :—
I. Languages.
II. History and Philosophy.
III. Mathematics.

One of the following :—
I. Languages.
II. History and Philosophy.
III. Mathematics.

IV. Natural Science.

I. Languages.
1. English.
2. One or more of the following:—
Sanskrit, Latin, Arabic, Greek, Hebrew, Persian.
(Vide page 81.)

IV. Natural Science.

I. Languages.
1. English.
2. (*a*) One of the following:—
Sanskrit, Latin, Arabic, Greek, Hebrew, Persian.

or

(*b*) As an alternative to (*a*)
1. A. Hindi or Tamil
or
B. French or German.
2. The Candidate's Vernacular.

TABLE B.

Extent of Change.	Reasons for the changes suggested.
MATRICULATION.	
Three languages are suggested in place of two. The Candidate's Vernacular is added to English and a classical.	The proposed addition of the Candidate's Vernacular is intended to bring out in prominent relief the philological connection between it and its parent classical. It would stiffen the course a little, but would form a sound basis for Indian linguistic studies. It is no new proposal; it was recommended by two Directors of Public Instruction. Sometime ago the Candidate's Vernacular was taught in the High Schools up to the Seventh Standard of the Course; it is now suggested to carry it up to Matriculation. As things stand at present, the dissociation between the Vernaculars and their parent classicals begins in the Fourth Standard of the High-School Course, [when the learners are scarcely 15] and tells prejudicially on their appreciation of either.

THE PREVIOUS EXAMINATION.

History of the classical taken up is added to the course.

The critical study of a language can at best be difficult and dry without an insight into its growth, and a general survey of its literature.

The additional branch (*viz.* History) proposed would give the linguistic student the historical stand-point which he would not otherwise attain to, and ultimately would stimulate original research in a field as yet but imperfectly explored. By way of compensation we propose to diminish the number of prose and verse books from two in each set to one. This would not make the course much harder, and would add to the interest and value of it.

FIRST EXAMINATION FOR B. A.

A new branch is proposed as an alternative to Mathematics, *viz.* Languages.

(1) The Candidate's Vernacular.

and

(2) { (a) Hindi or Tamil } with rudiments of Philology.
or
(b) French or German }

Mathematics to the extent studied as a necessary subject for the Previous Examination appears enough for the purposes of a liberal course; and what is prescribed for the First B. A. is a preparation for specialistic study in that branch. As there is no reason why Mathematics should alone have the whole field to itself to lay the foundation of a special course, it is proposed that, as an alternative to it, a linguistic branch should be put in for the course as the first stage of special linguistic studies.

The new branch is not an addition to the requirements of the course for the examination, as it comes in only as an alternative. It might even be considered as lightening the course, being the more attractive study of the two, and therefore calculated to draw away candidates from Mathematics. But this is no objection to its addition; for what we at present most urgently want is not Mathematics, but the more liberalizing study of modern languages.

Under the head of '*Languages*', Hindi or Tamil is proposed coupled with the Candi-

date's Vernacular, they being the representative-intermediary languages of their respective groups, and as such giving each access to, and command over, its own group, so as to ensure solidarity. Their study would make a sound beginning in Indian linguistic studies.

French or German is put in as an alternative to Hindi or Tamil for the convenience of Latin or Greek students. These two languages are the most important in the European group, both in point of development and quantity and extent of literature, and need no further justification for the place assigned to them in the proposed course.

The Candidate's Vernacular claims, and claims justly, a place in the special linguistic course proposed. By way of compensation we would here also limit the course to one prose and one verse book in each language.

SECOND EXAMINATION FOR B. A.

Under the Head of Languages (Group A) a new study is recommended. In place of English and a Second Language (one of the six classicals) which already come in as necessary subjects under Branch I of the course, Hindi or Tamil, or French or German, is suggested, along with the Candidate's Vernacular.

The proposed study of Hindi or Tamil, or French or German, along with the Candidate's Vernacular is intended to avoid the unscientific doubling of English and a Second Language,—a doubling which involves repulsive monotony without any *adequate* gain in breadth, and at the same time to maintain the continuity of the special course in languages begun for the First B. A.

The proposal varies and thereby improves the linguistic section of the course for the Examination without adding in any way to the difficulty of it. For the number of books here also will be reduced from two to one in each language.

M. A. EXAMINATION.

The study of Hindi or Tamil, or French or German, together with the Candidate's Vernacular, is proposed as an alternative to that of a classical.

It is not intended to narrow the field of the classical which the Candidate may choose, but only to allow him the option of modern languages. The alternative study, though more useful and interesting as being of more modern interest, would attract only those scholars who might have a special liking for the study, as it is harder than the classical, being coupled with the Candidate's Vernacular, and need no therefore, rouse the fear of the classica scholars. The study completes the special course of languages commenced with the F. B. A. and carried through the Second B. A.

REMARKS.

The scheme, as tabulated above, seems to meet the requirements of the problem proposed, in so far as it secures the admission, without shutting out the classical, of the Vernaculars and modern languages to the courses of the University and ensures linguistic solidarity in the courses.

It necessitates a radical change of principle, viz. the admission of the Vernaculars of the country to the higher courses of liberal study, but involves no extensive changes, nor even any wide departure from existing arrangements.

It does not add sensibly to the difficulty of the linguistic courses of the University, except at the entrance-stage, and thus avoids the risk of driving candidates to take up other subjects than Language.

It requires only a slight addition to our present teaching power, a Tamil reader alone being wanted for our Colleges.

It might be objected to this proposal that it sacrifices depth for what it gains in breadth. The objection is just as far as it goes; but the reply is, (1) that in linguistic studies especially, what we at present want is breadth rather than depth as the basis of a liberal education, and (2) that depth could be more easily attained than breadth by subsequent study.

The progress of the student under the proposed programme might be thus briefly sketched. We shall suppose him to have taken up Sanskrit. As the courses are now arranged, he can

take the M. A. degree in Languages, without going an inch beyond English and Sanskrit. He may well forget even his own Vernacular, he generally knows little of its literature, and in fact he does not know a single fact about the other living languages of his country.

This scandalous ignorance would be impossible under the changes proposed. The student would begin Sanskrit in the Fourth Standard of the High School Course; but he would have to study his Vernacular along with it. He would be required to study *together* Adam's Elements, Professor Bhandarkar's Primers, and Dadoba's Grammar. And thus on the close of his School-Course, he would read English, Sanskrit, and his Vernacular as co-ordinate branches of linguistic study. Under intelligent direction he would begin to lisp the conclusions of Bopp and Grimm before he enters the threshold of a college.

After passing the Entrance Test of the Bombay University, let us suppose him to join an Arts College. Here he would be introduced to Sanskrit literature proper. To enable him to get a fair start in the new study, he would be allowed for one whole year to lay aside his Vernacular books and devote his energies to the study of Kalidas and Valmiki. But he would be required, at the same time by way of relief, to master the principal facts of the history of the growth and literature of that classical.

By the end of his first college year, he would have thus read, partly at School and partly at College, enough of English, Sanskrit and his Vernacular, to be able to enter on a special course of linguistic studies.

In the second year of his stay at College, his field of study would be enlarged. The linguistic *Trivium* would be changed into a *Quadrivium*. He would be called upon to choose a typical vernacular in addition to English, Sanskrit, and his own Vernacular. Let us suppose our young friend to take up Hindi. During this year, he would have his time and attention too fully occupied with the element of the new language to do much in a philological direction, though he would be taught the rudiments of Philology.

With the dawn of the third year of his College career, there would come a welcome change. Instead of being cooped up as now with the literature of foreign language and a dead classical, he would read works of more present, direct and

national interest. We might well conceive him studying Hooker and Milton, Chand-Bardai and Tulsidas, Dnyaneshwar and Ramdas, Kalidas and Bhavabhuti, all together. What splendid opportunities would thus be offered to the young scholar to note, and to his professors to point out, parallelisms of thought and sentiment between writers, so widely divided in space and time? Nor would his gain be less from a purely literary point of view. He would take note during his progress of linguistic connections, verifying and illustrating in a striking way the laws of Philology.

During his fourth and last year at College, he would still further prosecute his new and interesting studies, and get a firmer hold of the thread of philological connection. From his study of the history of Vernacular literature, he would acquire the command of a literary and a historical insight such as he would not otherwise possess.

Our young friend would, at the end of the fourth year, take the M. A. degree in Languages, and leave college to enter the literary arena with advantages certainly superior to those possessed by our present University men.

Results—Thus, the proposed scheme of linguistic studies would give us a new and a superior class of scholars. With a fair knowledge of English, a classical, and two Vernaculars, the new class of graduates would work as a powerful leaven in the Indian literary world. They would be the medium of intellectual inter-communication between the several sections of the Indian Nationality. A new direction, or at least, a new standpoint, would be given to the labours of our scholars; India and Indian history would be better studied; and thereby the Indian graduate's field of living interest and of solid sympathy would be expanded. He would then learn to take more lively interest and feel more sincere pleasure, in studying the quiet progress of Indian Administration than in divining the mysterious horoscope of Turkey in Europe.

As more direct and immediate results, our University men would be able to enter, with adequate qualifications, on a comparative study of the Indian Vernaculars; a new literature in the Vernaculars, of a character more expansive, and less exclusive, would be created; the Vernacular Grammars would be improved; and Vernacular Etymology, the most neglected and the worst taught subject in our schools, would be cultivated

with a success and with an interest hitherto unknown. But, above all, the study of Indian History,—a study which must in a great measure determine the future progress of our nation—would secure new hold on the affections of our graduates, by reason of its liberalizing and national character.

To conclude:—These hopes might appear to many, as chimerical and doomed to disappointment. But to show that they are within the limits of reason and possibility, we need only appeal to the history of European thought and progress during the last 300 years. The history of European Science bears a striking testimony to the great influence which the study of modern languages exercises over the progress of thought in Europe.

The most learned and philosophical Grammar of the English Language has been written by Prefessor Mætzner of Berlin. The International Medical Congress, sitting in London, with its 3,000 members assembled from various parts of Europe and America, is in a position to listen, with profound attention and interest, to the German address of Professor Virchow of Berlin, to the French address of Professor Pasteur of Paris, and to the English address of Professor Huxley of London. So, again in the sphere of politics, John Stuart Mill's economical theories are quoted in the French Chamber of Deputies; the political speech of Mr. Gladstone at the Lord Mayor's banquet is reproduced in the German papers, and is widely and eagerly read; M. Gambetta's utterances are discussed in the political circles of England, Germany, and Italy, with an interest of which we can have no idea.

Facts such as these which can be mentioned by the hundred are, we believe, possible in Europe, mainly, if not solely, because of the "study of modern languages." In fact, no thinker of note, no statesman of mark, no writer of eminence can afford, in modern Europe, to be ignorant of the 'modern languages.' "Not to know French or German is to be blind of one intellectual eye."

Let us now leave Europe, and coming nearer home look about us. The scene changes at once, and completely. Look through our Vernacular publications, read the works of our graduates, listen to their speeches and lectures, and it will not be at all beyond the mark to say, that you will not find even one in forty of our present writers and speakers, going in his quotations and references beyond the groove of English and Sanskrit works, and beyond England and his own province.

All this, however, would change when our Vernaculars would be "studied by our educated classes, as French, German, Italian, English, are studied by the educated classes all over Europe." A new life would be infused, and a new movement of thought would begin in the Indian literary world. The progressive tendencies of the Aryan mind seem to warrant the hope that the Indian continent, once stirred into literary activity by the well-planned and properly-directed action of our Universities, would one day be what Europe is now,—a world full of the active conflict of many minds in many lands, advancing thought and eliciting and confirming truth. This hope, resting as it does on the unequivocal testimony of European history and progress, is, we firmly believe, fairly within the bounds of possible realisation.

A NOTE ON EDUCATION IN BARODA.*

The more recent Administration Reports of this State give a general synoptical view of the present state of education in Baroda, and furnish a brief comparative summary of the results attained within the last twenty years. It was only in 1871 that the first steps were taken in the direction of organizing a State system of popular education. The advance made since then has been rapid, continuous, and satisfactory, testifying at once to the energy and intelligent direction of the administration, and the expansive vitality of the educational policy pursued. In 1871, the first start was made with the establishment of one English School and a few Vernacular schools in the capital of the State. In 1875, the number of schools rose to 70, with about 7,000 scholars. In the next ten years, the number of schools and scholars showed a rapid and gratifying expansion, and in 1885, the State had 261 schools, with a roll of 27,000 pupils. In the same year, the educational curricula were arranged, the scope of operations of the State Department of Education was widened, and the entire system of education in the State attained a larger freedom, and a wider variety of growth. Such a development and success of the system along varied lines of progress, reached in the short space of 15 years, naturally encouraged efforts on a broader and more extended scale; and His Highness the Maharaja issued in 1885 a comprehensive Minute on the whole question, laying down the lines of a fresh forward advance, and the principles which should govern it. This Minute marks a turning point in the educational history of the Baroda State, and may be fitly styled the Educational Magna Charta of Baroda. The final aim of the efforts was clearly and authoritatively defined, and practical action was ordered on the lines of the programme therein laid down. Universal primary education—reaching down to the very lowest strata of the population,—education beyond the primary stage to be in all its higher branches as varied as practicable, so as to suit the varying requirements of the several sections of the population—this was hence-forth to be the ideal to be steadily kept in view, and by gradual and cautious steps to be worked up to by the State Department, and increased

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funds were placed at the disposal of that Department by the Administration. The next five years (1886-1891) have been years of unprecedented development and progress. The number of Schools has increased from 261 with 27,000 scholars, to 515 with over 54,000 pupils on the rolls,—the institutions including among them a high Technical Institute, Agricultural classes, Music schools, and special schools for Sanskrit and Urdu. The progress so made more than brings up the State into line with some of the most advanced provinces of British India in respect of educational activity, the proportion of children at school to the total population of school-going age stands as high as 27·2 p. c.—a percentage as yet nowhere reached in British territory, not even in Bombay. This is a measure of educational advance, achieved in less than a quarter of a century, on which His Highness's Government may be most heartily congratulated. The success of the Baroda Educational Department in dealing with the problem of the education of aboriginal and hill tribes is still more striking. No less than 4,261 children of these classes, says Mr. Hargovind Dwarkadas, Director of Vernacular Education, are at school—certainly a most satisfactory school roll for an aboriginal population of (by the recent census of 1891) 29,854 souls in the State. In the Northern Division of the Bombay Presidency, the total aboriginal and hill population is over 250,000, and yet we have in our schools no more than 5,612 children of these classes. This disparity of results as between Baroda and the British territory is a remarkable illustration of what can be done in an enlightened Native State by an energetic Administration in the matter of the education of backward classes, in regard to which Mr. Lee Warner, in his report of the Department of Public Instruction in Bombay for 1884-85, frankly admitted the "absolute failure of the Department". On the whole, the results achieved in the field of popular education in the Baroda State, by whatever test measured and judged, constitute a splendid record of successful work, of which any Administration may be proud, and which fully sustains the reputation of Baroda as being one of the most enlightened States in British India.

Splendid, however, as has been the work thus far done, much—very much—still remains to be accomplished; the field yet to be occupied is vast, and the most strenuous efforts of the State will be required to meet in an adequate manner the wants of the situation. Baroda, according to the late census, has a total population of 2,414,000 souls, or on the calculation of 1 in 6, there are 400,000 children of school-going age, of

whom only 54,000 are at school, or roughly 1 in 7. Again, the total number of towns and villages in the State is 3,012, while the number of schools for boys and girls is only 465, *i. e.* not even one school for every six villages. In the Bombay Presidency including Sindh, the proportion of institutions to the total number of towns and villages is nearly one school for every three villages. In the advanced portions of the Presidency the proportion is much larger. If we take the four neighbouring British Districts of Ahmedabad, Kaira, Broach and Surat—which together have much the same area and population as the Baroda State,—(8,538 sq. miles, and population 2,783,000),—we have 1,192 schools for a total of 2,630 towns and villages, or only a trifle less than one school for every two villages. Lastly the progress made as between the different Districts of the State appears more unequal than seems desirable. Navsari, for instance, with its total of 793 towns and villages, has only 70 schools, *i. e.* not even 1 for every 10.

These and such other facts at once arrest attention, and show that the educational policy of His Highness's Government, as laid down in the Minute of 1885, is not even yet within measurable distance of practical realization, and suggest the necessity for a careful inquiry into the working of the present educational arrangements with a view to ascertain on what lines further efforts should be directed to insure a more thorough carr ing out of the intentions of His Highness's Government in this matter.

It is fully anticipated that any larger extension of the operations of the Educational Department on the lines suggested must involve a large permanent addition to the educational expenditure of the State, and it is satisfactory to have the assurance on the part of His Highness's Government that every reasonable increase of means and resources required for the work will be allowed to the State Department of Education. And the practical question for the consideration of the Education Commission now sitting at Baroda is, how to employ the resources of the State, so improved and augmented, as to attain the maximum of successful results with the minimum expenditure of funds and of educational power. The policy of the Administration, as conceived in the best spirit of higher statesmanship, is clearly enunciated, and the aim is two-fold :—(1) to secure the widest possible spread of education among the masses, and (2) to attain as free and varied a development of educational activity as is under the circumstances practicable.

Accordingly, the first question formulated for consideration by the Baroda Commission relates to the desirability of making education compulsory by law.

This is the first time in the educational history of India that such a question has been proposed for practical consideration by a responsible Administration. In no province of British India—not even in the most advanced Presidency Town,—has the subject as yet ever been regarded as coming within the scope of practical action; and Baroda may justly claim the honour of being the first to move in this direction. Nothing so forcibly illustrates the change that is fast coming over the life and thought of the country as the fact that problems, held to be difficult or impossible of solution in British territory, are being boldly taken up in our leading Native States, where the conditions of practical effort are necessarily freer and more spontaneous. Mysore is silently solving the problem of representative Government in India; Indore and several of the Southern Maratha States have taken up the question of industrial reform; Rajputana, that of social reform; and now Baroda stands forth the first in the field to effectively grapple with the problem of popular education on the basis of a full and complete recognition of State obligations in the matter.

The object aimed at by His Highness's Government will, of course, meet with universal approval and sympathy. In the present circumstances of India, nothing is more necessary or desirable from every point of view than that education should be, as the first indispensable precedent condition of national progress, as widespread and general as possible among the masses. Universal education is the most powerful instrument for national emancipation and upheaval, and nothing can better give us in India the requisite *moral leverage* for the task. But, the method of legal compulsion suggested in the question under consideration, opens up a wide and contentious field of discussion. The subject will be approached from various stand-points, and views will most widely differ. There will, however, be a general consensus of opinion that the time is not yet come when such a wide departure from existing arrangements can be with success or advantage attempted in Baroda. Public opinion in the country can scarcely be said to be ripe as yet for so radical and important a change.

No doubt, in most of the advanced countries of the world, education is general. In America, and in a few countries of

Europe (*e. g.* Belgium) the system rests on the Voluntary basis. In England, France, Germany, Portugal, Spain, Denmark, Austria-Hungary, Sweden and Norway, Switzerland, Greece, and Italy, universal education is ensured by statutory compulsion, and parents are bound to send their children to school, and any neglect on their part is made punishable with fine, and in some cases, with imprisonment. Japan so far is the only Asiatic country that has adopted the compulsory method. It is not known under what circumstances a resort to the aid of the law in the matter of popular education has been found necessary in Japan. But in European countries where the compulsory system obtains, it represents one of the most striking phases of a grand and varied movement of democratic life, which is the leading characteristic of European progress during this present century. Prussia was the first to lead the way in the early years of this century after the close of the War of Liberation; Greece followed in 1831, having regained her national independence in 1830, after centuries of foreign subjection. Portugal in 1844, and Spain in 1885, followed next, having succeeded, after years of toil, in organising their free institutions on a firm and sound basis. Denmark, Austria and Hungary, Sweden and Norway, Switzerland and Italy copied the Prussian system with short intervals. England made education compulsory in 1870, and France in 1881.

Thus it will be seen that in all these countries, it is only within the last 50 or 60 years that any change has been found necessary from the voluntary to the compulsory system; and even so, the change comes upon the swelling tide of a great development of democratic life and sentiment, and as a necessary aid to its advance, in response to a clear and distinct popular demand, after 400 years and more of emancipatory struggle for intellectual and political freedom.

In India, such a disciplinary struggle has only just commenced, and democratic life is just having its humble beginning. And in this state of things, however, we may wish for a wide diffusion of education among the masses, the room for voluntary action is still vast, and until the limits of voluntary efforts are reached, and a clear necessity for compulsory methods arises, a recourse to compulsory legislation in the matter will be without adequate justification. But another, and practically a stronger, objection to resorting to compulsory legislation in regard to popular education is to be found in the fact that, neither in the Baroda State nor in British territory, is there as

yet any adequate provision of educational facilities made. In the free countries of Europe and America, where education is general—whether on the compulsory or voluntary basis,—the establishment of requisite number of schools is obligatory by statute. In Prussia, every town or commune must maintain a school supported by local rates. In Italy, every commune must have one lower grade school for boys, and one for girls. In Spain, there must be a primary school for every 500 inhabitants; and similar provision is made obligatory by law in the other countries of Europe. In England, by the Education Act of 1870, it is laid down that sufficient school accommodation must be provided in every District for all the children resident in such District between the ages of 5 and 13. A similar Act applies to Scotland also. Thus, in all these countries, there is not a commune, a village, or a parish, but is bound by law to provide sufficient school accommodation for its children. In India, nothing strikes an outside observer so much as the utter inadequacy of the existing supply of schools to meet the requirements of the country. In British India, Government, while fully recognizing its duty in this regard, openly confesses its inability to find the requisite funds for the task, and though increasing efforts are being made in all directions to increase the number of educational institutions, still there are hundreds and thousands of villages and hamlets all over the country where schools do not exist. In all India, we have barely one school for every four villages, *i. e.* 75 villages in every 100 are without schools. In Bombay 66 out of every 100 villages have no school. In the Northern Division of Bombay, about 60 per cent villages still remain unprovided for. In the Baroda State, out of a total of 3,012 villages, only 465 have school accommodation, the remaining 2,500 villages and more, or 84 villages in 100 have no schools within reach. Similarly, again, the low castes nowhere come in for any fair share of school accommodation for their children. In the Baroda State, the low caste Hindus, on the basis of their numbers being 10 p. c. of the population, probably number more than 200,000 but there are only 10 Antyaja schools with a total attendance of 800 children.

A proper provision of educational facilities within the reach of all classes and castes of the community must obviously be the first preliminary condition before compulsory legislation on the subject can be even thought of. And as long as this condition is not established, any proposal to make education obligatory by law can clearly have no justification in the facts of the case or in the equities or necessities of the general position.

But, further, the question of compulsory legislation in the present conditions of Indian life and feeling is beset with insurmountable practical difficulties. For obvious reasons, such statutory compulsion in the case of girls cannot be enforced. Popular prejudices are still strong on the point, and though, of course, here and there, a community like the Parsees may be found to accept the principle of the system, the general sense of the people is clearly opposed to such legislation. and any proposal embodying such legislation must be put aside for the present at least, as being outside the sphere of practical action. In the case of boys, no statutory compulsion seems needed. The question here is more one of available funds and resources than of sentiment and prejudice. There is no important class in Indian Society opposed to male education on principle. There is, no doubt, apathy; there is poverty and the indifference induced by it; but there is no hostile feeling on the subject. The desire for boys' instruction is about as universal as may be wished for, though of course existing in various degrees of strength. On this point, what the late Dr. Rajendra-lal Mittra remarked about Bengal in his evidence before the Indian Education Commission, applies to all India: "The desire (*i. e.* for instruction) is common, and not limited to any particular class or classes. None hold aloof from it deliberately as noxious or not desirable, but many cannot afford it either from want of means, or from want of schools within an accessible distance. Many cannot spare their children to go to school, as they require their services for the conduct of their own business. To them a lad of 8 or 10 years is more profitably employed in tending cattle than in grinding the alphabet." As to the low castes, he continues, "Mehters, Chandals and Bagdis are practically excluded from village schools, and they are nowhere so numerous as to be able to maintain schools for their own communities. Pods are as low in the scale of caste as Bagdis, but they are numerous, and in the Southern parts of the 24 Parghanas, they maintain schools for their own education." The same is our experience in Bombay with regard to the low castes of this Presidency.

Thus, where the means are provided, most of the sections of the Indian community freely avail themselves of them to a greater or less extent. The Parsees in Bombay have all their children of school-going age—both boys and girls—at school. So again have the Brahmins all their boys at school. Lower down in the scale, the general attendance of the schools shows considerable variations; the low castes coming in for the

smallest share of representation in the attendance returns. But all these variations are determined by the measure of school accommodation that is provided for the different classes and castes, and have no relation whatever to any feeling or prejudice or custom hostile to the progress of boys' education. Here the cry is for more and more schools. But the supply for want of funds is nowhere responsive to the demand. Mr. Giles, Educational Inspector N. D , told the Indian Education Commission in 1882 that "if he had funds to open schools, he could add 60 000 scholars to the school attendance in a few months."

Such being the general facts of the case as regards the supply of schools, it is evidently premature to consider the advisability of making education obligatory by law. In the meanwhile, however, it may be strongly recommended for the consideration of the Baroda Education Commission that every effort should be made to aid the progress and spread of education in the State by increasing to the fullest limit of available resources educational facilities for all classes of the population. Every means should be employed, every agency utilized, and every form of local effort elicited and encouraged to the widest extent. In regard to this matter of education, it is of supreme importance to enlist the sympathies and active support of all classes in the cause. It will never do to place exclusive dependence upon the agency and activity of the State. The resources of the Government as a trustee for the general tax-payer must be, even in the widest view of the State obligations in the matter, very limited; and the aim of the Education Department should be to call to the assistance of its limited resources local effort and local co-operation, whether in regard to teaching power or teaching methods, or educational funds. This should be the aim of State action. *Centralization* in this, as in other spheres, only tends to weaken local springs of action and blunt the local sense of responsibility, and thereby lessens the vital force of the general movement of advance. As to teaching power, private enterprise should be called out, wherever and in whatever direction such help is possible, and every agency—private, local, missionary,—should be assigned a definite place in the general machinery of State education. The desire of His Highness's Government to have a school in every village of the State will be most widely appreciated. This will be the first necessary step in the right direction. The 2,500 and more villages of the Baroda State, which still lie outside the scope of the Education Department, should be brought within the reach of State educational effort as early as the resources of the State may permit, and in connec-

tion therewith it may be suggested that every such village school, aided or unaided, public or private, should have a separate class, housed under a separate roof for Antyaja children attached to it, and under the supervision of the village master. These Antyaja castes are found scattered in small numbers over the whole area, and are seldom numerous enough anywhere to justify the establishment of separate schools for them. It may also be remarked, while dilating on this point, that the teachers of these low caste classes should be found from among those castes as far as practicable, so as to ensure sympathetic treatment. Similarly, free play and development should be allowed to elementary instruction as imparted in the indigenous schools. It is not a healthy educational system that seeks to cast the youths of the country in the same educational mould; diversity of growth should be encouraged as far as possible. But, above all, much skill will be necessary in the disposal of State funds set apart for educational purposes. The effort should be to employ these funds with the most extensive effect under a proper system of rules for grants and subventions in aid of private enterprize, and by calling into play a suitable machinery of rewards and honours to the local officials (the Patels, Kulkarnis &c.) as an encouragement and stimulus to their efforts, where necessary. There need be no waste of educational resources here. The Baroda reports are silent on the subject of grants-in-aid rules; but it is presumed that they are more liberal and less rigid than the Bombay rules. In Baroda, as in the rest of the country, there must be scattered over the entire area of the State a vast net-work of indigenous schools. Many of the 2,500 villages, as yet without State institutions, must have some sort of school accommodation. These schools—though their number is not stated by the Director of Vernacular Education, Baroda—form, so to speak, an outer circle of educational activity, apparently as yet without State recognition or support in any form. Very probably they correspond to the old Pathashalas of Bengal, and serve a most important purpose in the general system of national education, and it is to be hoped they might be brought, if not so already, within the cognizance and administrative control of the State Department of Education under a liberal policy of incorporation and grants-in-aid. On this subject of indigenous schools, the following recommendations of the Government of India to the Local Governments in their Resolution of October 1884 may be quoted:—

(1) "That all indigenous schools, whether high or low, be recognized and encouraged, if they serve any purpose of secular education whatsoever."

(2) "That a steady and gradual improvement in indigenous schools be aimed at with as little immediate interference with their *personnel* or curriculum as possible."

(3) "That where Municipal and Local Boards exist, the regulation, supervision and encouragement of indigenous elementary schools, whether aided or unaided, be entrusted to such Boards."

(4) "That such Boards be required to give elementary indigenous education free play and development, and to establish fresh schools of their own only where the preferable alternative of aiding suitable indigenous schools cannot be adopted."

One more suggestion on this point may be made, and that is in regard to a definite assignment of funds for the support of primary education, secured by a *quasi* legislative guarantee. In France, every commune is bound by statute to devote to the service of its primary schools a certain definite portion of its annual revenues. In the United States, about six per cent of local taxation is assigned for the support of the public primary schools. In Bombay, one-third of the local cess is set apart for primary education, supplemented by contributions from the provincial revenues. In Bengal, in former times, under native rule, rent-free lands were reserved for the village Pathashalas. The question as to the most suitable method of assignment to be adopted in any state is a practical question for the Administration to decide. But to ensure permanence to the system, it is necessary that there should be a definite assignment of revenues under a statutory obligation for the support of primary schools.

These are some of the suggestions that may be offered on the general subject, and it is hoped that action based on some such lines as have been indicated will render possible, before many years have passed by, a great approach to the final goal. As schools increase in numbers, and other facilities for instruction advance under the well-regulated stimulus of State aid, and State encouragement is generously extended to every side and form of educational activity, a wider diffusion of education among the masses may be confidently anticipated.

The next question for consideration is, what is, and what should be, the general character of the instruction that is imparted to the masses. For, after all, the only education that can be given to the mass of our pupils must be of the most elementary kind. Fully 95 per cent among them leave school after the primary stage is reached, and can receive no more than simple instruction in reading, writing, and arithmetic, with only elementary notions of history and geography. Should primary education stop at such an elementary stage, or should it advance somewhat further, and embrace a wider range and variety of practical instruction, than can be imparted to the vast mass of scholars whose education begins and ends with the primary school? This is the second question which we have next to consider.

In India, as in Europe, two systems prevail; and on this subject Sir A. Croft in his Review of Education in India for 1886 (pp. 195-96) thus writes:—"In some provinces, primary instruction is carefully distinguished from the primary stage of higher instruction; and the village boy, whose education begins and ends with the primary school, goes through a course of instruction altogether different from the introductory stages of secondary and higher education. In others, no such distinction is made, and all pupils alike receive the same initial training." "In the primary schools of Bombay, a single uniform course is prescribed for all pupils as far as the upper primary (or fourth) standard. The primary school, in fact, is regarded as being, and is intended to be, not only the village school, but the preparatory school for secondary education.....As far as the upper primary stage is concerned, all pupils and all classes of society read side by side in the same school, and read the vernacular only. In Bengal, a different course is followed. It is held there that the primary instruction suited to each pupil varies with, and should be determined by, the highest standard that he is likely to reach; that a boy, for example, who is intended for the University, or for a professional career, requires a different initial training from one whose education will end with the village school, and whose days will be spent in the humble occupations of rural life. Under this latter system, High Schools necessarily have their own primary departments in which English is for the most part taught from the beginning, and the course, from the lowest class to the highest, is governed by the final matriculation standard. In a middle school, again, the junior classes read a course different from either. Primary instruction is therefore regarded in Bengal

under threeseparate aspects,—first, as an education designed tomeet the simple requirements of the masses of the people, and therefore complete in itself, so far as it goes; secondly, as that which leads to a somewhat more advanced education in the Vernacular, with possibly a later infusion of English; and thirdly, as the inital stage of an English education, leading to the University, and therefore justifying the study of English from the out-set. The Bombay system resembles that of America, in which all classes of society read together the same course in the town or village school. The Bengal system finds a parallel in England, where children of one social class learn their elements in the Board school, those of another in the Commercial Academy, and those of a third in the great public schools of Eton, Harrow &c.....These are the two extreme types, while Madras occupies an intermediate position. Its system recognizes the existence of attached primary departments in which English is read from the beginning. In the N. W. Provinces and Oudh, there are two alternative courses throughout the primary stage—English and Vernacular respectively. In the Punjab, the course is common to English and Vernacular schools in the lower primary stage of three years, but diverges at the commencement of the upper primary stage." Thus, it will be seen that "in all provinces, primary education—understood as the instruction provided for the masses of the people—is conducted in the Vernacular exclusively; while the primary stage of higher education is sometimes identical with the former throughout the whole or through a part of its course, and sometimes altogether special and different." It is claimed for the Bombay system "that if the higher castes can give a tone to society, and if the example of the educated can stimulate the backward classes, this stimulus is provided by associating every section of the community in the class rooms of the primary school." On the whole, the Punjab plan appears to be by far the best and most suitable for our requirements, as tending to the maximum economy of educational force, and at the same time combining the advantages of the Bombay and Bengal systems, the primary course being the same for all grades and classes of learners up to a certain stage, and then diverging along distinct lines to suit varying demands.

The next point for consideration has relation to the subjects of instruction. Here also views and standards equally differ. In France, under the Education Law of 1881, "all children between the ages of 6 and 13 are required, besides reading and writing, to receive moral and civil instruction, to be taught geography

and history, some notions of law and political economy, the elements of natural, physical and mathematical science, their application to agriculture, health and industry, and the elements of drawing, modelling, and music," with gymnastic exercises for boys, and needle-work for girls. In the elementary schools in Austria, the subjects taught are "religion, reading, writing, language, arithmetic with elementary geometry, some branches of natural history and physics, geography, history, drawing, singing, to boys gymnastics, to girls domestic duties." The Indian schemes are much less ambitious. In addition to Vernacular reading, writing and arithmetic, the boys are taught the elementary history and geography of India, and, in some provinces a little of sanitation and mensuration and physics; and attention is given to gymnastics in boys' schools and needle-work in girls' schools.

The European schemes aim rather too high, and the Indian schemes somewhat too low, to be suitable for our requirements of the primary stage. The Bombay system is too literary and defective to be a complete course, either for those whose education ends at the primary stage, or for those who intend to proceed to the higher stages. As intended for the former, the Bombay Government has more than once admitted that the scheme, as at present arranged, does not contain a sufficient infusion of practical instruction, and it has directed a revision of the existing standards with a view to that end. A similar recasting of the standards of primary education in the Central Provinces is under the consideration of the authorities there.

As the Government of India remark, "the curriculum of a primary school ought, while not neglecting the preparation necessary for any pupils who may be advancing to the secondary stage, to aim principally at imparting instruction calculated to be of real practical benefit to the bulk of the children whose education will terminate with the primary course." This may be accepted as a sound definition of what the general aim and character of primary education ought to be. The majority of our children begin to attend school at 6 or 7 years of age, and in our Bombay schools, require 5 years to go through the lower primary stage (Standards I–IV) which is the same for all, and two more years to do the two upper standards as an advanced voluntary course of primary instruction. It is thus a course of 7 years, arranged in two stages.

The Bombay course may be accepted as at present fixed, with a modified arrangement, and an altered curriculum. It

might be more advantageously arranged on some such plan as the following :—

The course to be in three stages instead of two :—

(1) The first stage—to be of three years, as in the Punjab, and to embrace besides reading, writing, arithmetic, and the history and geography of India, the two additional subjects of *drawing* and *manual work* on the Sloyd system.

(Drawing is insisted upon in the primary schools all over Europe and America ; the study tends to train the eye and the hand, and at the same time, to give the infant mind of the young pupil a useful appreciation of form and beauty, proportion and symmetry. As for the Sloyd system it is much valued in Switzerland, Sweden, Norway, and several other European countries. It has been also introduced into the primary schools of the Central Provinces, as a means of training the eye and the hands to accuracy, dexterity, and a sense of proportion. The object is "so to train boys that when they leave school, they may be fit learners of a trade, and that the manual dexterity acquired at school may be useful to them, whether they subsequently take to trades or not.")

(2) The second stage—to be of two years. In this period,—the general instruction begun in the first stage should continue, and be combined with practical instruction in the elements of physics, natural history and physical geography (chiefly by means of object lessons), sanitation and mensuration. Drawing, and manual work on the Sloyd system should proceed.

(This stage will be the lower stage of primary education, and the course is sufficiently wide and varied to be suitable for all. There is to be no specialization of study so far.)

(3) Lastly, the third stage—to be of two years. The general instruction, as continued in the second stage, should proceed with optional groups of studies, literary or technical, such as may be adapted to the

wants of the two classes of learners. The literary optional group might include, where possible, a study of English; the technical should be arranged in the three sections of agricultural, mechanical, and commercial. (The *agricultural* section should include—the principles of agriculture as in Tanner's Text-book, agricultural chemistry, and elements of Veterinary science; the *mechanical* course should include mechanics and elementary natural science; and the *commercial* should embrace book-keeping, commercial correspondence and commercial geography.)

[This stage represents the upper primary stage, and so arranged, ensures a fair average of general knowledge, combined with literary and technical instruction sufficiently diversified and useful, and the aim of primary education, as defined in the Government of India Resolution quoted before, will be fairly attained.]

The adoption of some such scheme of primary education must depend upon the supply of duly qualified teachers and good books, and until these are forthcoming, practical action in the desired direction is impossible. It may, therefore, be recommended for the consideration of the Baroda Commission that the efforts of the State department of education may, in the first place, be usefully directed to develope the Normal Schools up to the requisite standard of efficiency, and to introduce into the curricula of the schools practical subjects, both scientific and technical. On this point, the remarks of Mr. Lee-Warner are interesting: "If young Brahmin lads—who are fitted to be masters of our higher primary and our secondary schools,—will only go through a course of mechanical instruction in the workshops, whilst they acquire a theoretic knowledge of various crafts in the lecture-room of the Poona College of Science, we shall have solved the first of our difficulties, *viz.* the provision of competent teachers. We can then institute schools after the model of that at Rotterdam, which has been introduced into other parts of the Continent. The school there is on the half-time system, the morning being devoted to mental education, and the afternoon to practical teaching in the workshop, and the course extends from the age of 13 to 16. The pupils learn drawing, mathematics, physics, chemistry, and the elements of various trades, the best practical workmen

being engaged to teach these trades." As regards school text-books, it is satisfactory to learn on the authority of Mr. Hargovind Dwarkadas that the Baroda State department is doing all that is necessary to encourage their preparation and publication.

Beyond this primary stage, all instruction should be as varied and specialized as possible. The two main divisions of education—*literary* and *real*—in all the higher stages should be on a co-ordinated basis, and move together on parallel lines.

After an adequate average of general instruction is attained in the primary courses, much may be done :—

(A) For Technical Education :

(1) By extending the plan of the Baroda Technical Institute, and enlarging the scope of instruction imparted in the Institute by the establishment of agricultural and commercial departments.- [These additions to the curriculum of the Institute will enable it to impart a complete course of practical instruction of a superior kind.] And

(2) By opening special trade schools on the Rotterdam model, at some of the centres of trade and industry ; there should be also agricultural classes attached to the Taluka schools. [These schools will be feeders to the central Technical Institute at Baroda; and the Institute should serve at once both as a higher Institute of Technical Instruction, as well as a Technical Normal College for the training of masters for upper primary and special schools. In these special industrial schools, a study of the local crafts—*e. g.* wood-carving, carpentry, smithy—might be advantageously pursued.]

(B) And for Higher Literary Education in the Vernacular.

A central Vernacular College at Baroda, with one or two Vernacular High Schools at the zilla centres, might be suggested. The curriculum will of course be of a classical type, including Sanskrit. It may not altogether be out of harmony even with a higher course of education in the Vernaculars to suggest that some knowledge of English may be insisted

upon. The study of the English language furnishes a key, not only to a rich and noble literature, but also to the entire thought of modern Europe, and as such seems an indispensable training to every Vernacular scholar.

The scheme so outlined suggests a comprehensive programme of educational effort. It is not proposed as a scheme to be adopted *per saltum*, but to be worked up to by tentative steps, as the funds and resources placed at the disposal of the State Department of Education may allow.

We can only briefly notice the question of female education before we conclude these observations. In Baroda, as elsewhere, the difficulties in the way of female education are great. Popular sentiment, ignorant prejudice, the cast-iron sway of custom—all concur in impeding the advance of female education in every Province and State of India. The movement to be successful must be spontaneous and voluntary, emanating from the people themselves, and growing out of a proper appreciation of the benefits of female education. In this respect, there are limits to Governmental interference and State action, which cannot be over-stepped, and for any solid advance in the field we must perforce leave much to time and its ameliorative and solvent influences, and to the progress of general male education.

In the meanwhile, it is a pleasure to observe that so much good and useful work is being silently done in the Baroda State. There are 42 girls' schools in a high state of efficiency, with a roll of 5,000 pupils, besides 5 Zenana classes with 222 grown up girls under instruction. The system of instruction pursued seems also a sound one. As a further development of the teaching machinery, an extension of the Zenana system, which is found to work so well in Bengal and elsewhere in Northern India, may be recommended. The curriculum of instruction, it may also be suggested, should be of a liberal and literary character as far as practicable Our present need in this respect is not so much the acquisition of high technical or scientific skill or knowledge by our women, as a broad liberal culture of the mind and heart, which may, in the progress of time, be found effectual to remove the dead incubus of darkness and superstition and prejudice, that makes in too many cases our homes dreary, and our home-life a burden.

Besides, therefore, music, needle-work, cookery, domestic economy &c., higher portions of Vernacular and Sanskrit literature, and history and geography, might be usefully included in the course. The aim should be to give these pupils a broad basis of liberal education, such as will enlarge their minds, cultivate their sympathies, and ennoble their lives. It is more light that we want for the enlightenment of our homes —the light of knowledge, of higher culture, and nobler aims.

Here this note must close. The observations cover the ground suggested by the principal points of the inquiry.

To conclude, as there is no more sacred or imperative duty imposed on rulers of States than its obligations in regard to popular education, nothing can be a more gratifying sign of the times than the fact that a leading native State like Baroda is coming forward to accept its full responsibility in this respect, and is further prepared to take practical action on the basis of such a recognition of its obligations. We may be permitted to express a confident hope that the outcome of the labours of the Baroda Education Commission will be a larger development in the near future of the enlightened educational policy of His Highness's Government, and a wider extension and more varied expansion of educational activity in the Baroda State, resulting in a great advance of the moral, material, and intellectual well-being of all classes of the people of Baroda.

COMMERCIAL EDUCATION.*

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[By G. V. Joshi, B. A.]

Industry is *productive* and *distributive*, and *technical* and *commercial* are in a comprehensive sense the two co-ordinate sides of Industrial Education. Last year the Conference dealt with the question of Technical Education; this year it is proposed to bring up for discussion the correlative question of Commercial Education. The necessity for such Education is as real and urgent—perhaps in the existing circumstances of India, even more so—and it is confidently hoped that the subject—particularly in its broad relations to the industrial life of the country, will receive the most careful consideration of the Conference.

In the field of Industry—as in every other field of human effort—it is obvious that a systematic training of the worker is, under the condition of modern life, an indispensable requisite of success. Trained skill and scientific knowledge are factors of immense power and all over Europe and America, this truth finds its practical recognition in the splendid educational facilities for the acquisition of industrial and scientific skill provided on the dual basis of popular self-help and State aid. From the *Sloyd* schools of Sweden for the manual training of boys, *Ateliers* and *Apprentisage* of Belgium for the instruction of artizans to Imperial Technical School of Moscow, and the Columbia School of Mines for the training of miners and mining engineers; from the Art Schools of Oxford and South Kensington for artists to the Polytechnic and technical Universities of France and Germany for the instruction of professors of Technology and technical directors of industrial establishments; and from the *E'cole Martinieri* of Lyons and the *E'cole Professionnelle* of Rheims for the training of clerks in commercial houses to the *E'cole Superieure de Commerce* and the *E'cole des Hautes Etades Commerciales* of Paris and the *Handels Akademie* of Vienna for superior training in the principles and practice of mercantile and banking business—we have here a vast and varied organisation of Industrial Education for the benefit of every class and grade of workers. Accordingly, one of the most

* This paper was read on Tuesday 6th September 1892 at the Second Industrial Conference held at Poona.

striking and important feature of economic development in these countries is the thorough intellectual equipment of the Industrial worker, and the moral nerve and self-reliant resourcefulness which it gives him. The merchant and the banker, the engineer and the architect, the mechanic and the factory-operative, the artist and the artizan—all are trained—thoroughly trained—each in the *theory* and *technique* of his special calling; and go where we may, we find the European (or American) worker leading the van of material progress,—the producer holds the field of productive industry, and the merchant rules the commerce of the world. Truly, *Knowledge is power, the highest gift of Heaven vouchsafed to man here below.*

It is a hopeful sign of the times that the same truth as to the value and indispensable necessity of scientific training in respect of the national industries is dawning—however slowly and under far different conditions—upon the public mind in India. As the first fruits of the new awakening in the sphere of *productive industry*, initial steps have already been taken in most of the Provinces. We have by the latest returns, besides Engineering Colleges, Veterinary schools, Agricultural classes, and schools of Art, 71 purely industrial institutions with a total roll of 3,711 scholars. In the *Punjab* there are 4 with 362 pupils, in the *N. W. Provinces* and Oudh, 12 with 162 boys, and in *Bengal* an equal number with about 500 scholars, besides drawing classes opened in several "collegiate schools." In all theses Provinces, larger developments are under the consideration of the authorities. In the *Central Provinces*, we have purely technical schools, but *drawing* is taught in most schools. Sloyd system has been introduced into the Normal Schools, and carpentry classes, attached to several schools of general education. In *Madras*, there are 15 schools for boys and 5 for girls, besides industrial classes in carpentry, cabinet-making &c. attached to High schools. In *Bombay* we have, besides the Victoria Technical Institute, the Kadirdad Khan industrial schools in Sindh, doing excellent work. This is satisfactory progress so far, and although extended—vastly extended—efforts are needed to meet in any adequate way the wants of the country in regard to Technical education, we have every reason to congratulate ourselves on the success achieved in a new departure.

Our educational requirements, however, in regard to *distributive industry* remain as yet without notice and without recognition, except in the Madras Presidency, where fair

progress seems to have been made, and to some extent in the Punjab and yet they are pressing and serious, and demand careful consideration.

Education has proved to be the mighty lever of modern progress, and the experience of the leading Continental nations justifies the anticipation that the educational remedy, which it is the object of the present paper to urge, will be found in the long run to be the most effectual remedy for our present evils.

Commercial education is a pressing necessity of the present economic situation in India. As Mr. A. B. Master forcibly put it last year, we live in an age of science and science-directed activity; and India, no more than any other country in the world, can hope to hold her place in the race unless she calls to the aid of her merchants and manufacturers the resources of science and scientific training. On no other basis can the industrial reorganisation of the country be achieved. Technical Education goes *only* half-way; and dissociated from commercial Education, may even fail of much of its intended effect. Side by side with trained manufacturers, we want a trained class of commercial men—with a thorough training in the scientific principles and modern methods of commerce and a disciplined intelligence and business capacity, to get our system of distributive industry into order, and direct with skill and success the trade-movements of the country and thereby impart a healthy tone and turn to the industrial life of the nation. In no other hands—however skilled and energetic—can the industry, trade and commerce of India develop into fruitful channels or attain to normal dimensions. "A body of such men" says Mr. J. Adam, the learned Principal of the Pachaippa College, Madras, "will soon do wonders in multiplying the resources, augmenting the trade, and adding to the wealth of the country. It is the keen eye of the trader that sees where an Industry can be planted, his quick hand seizes the opportunity, his energetic perseverance develops it into a great success." The Educational system of the country, even as re-arranged since the Report of the Education Commission, as yet makes no provision, except in the Madras Presidency, for the special training of Indian youths desirous of following a mercantile career, and no effort is made to direct their energies into a channel the intelligent following of which must be of great benefit to the country; and at the same time serve to bring new dignity and vigour to the commercial life of the country. And yet, it is desirable, from every point of view,

to withdraw a certain proportion of the educated classes from the paths which lead to official or professional life and to divert them "into those of productive and distributive Industry," such as attract so large a proportion of the educated youth of Europe. The Education Commission recommend the establishment of courses of study "intended to fit youths for *commercial* or *other non-literary* pursuits," and the Government of India in their Resolution of 1884 (Oct. 24) endorse the re-commendation, adding: "every variety of study should be encouraged which may serve to direct the attention of Native youths to *Industrial* and *Commercial pursuits*." No-where except in Madras, is effect given to the intentions of the supreme Government in this regard. But time presses on, and the wants of the Indian merchant in respect of commercial Education can no longer wait without serious injury to the higher interests of the country.

If, then, the necessity of providing commercial education in India be recognised, the next question is, how to provide it? Before proceeding to sketch out the lines on which such training may with advantage be organized in this Presidency, it would be of some service to give a brief account of the existing systems of commercial education in Europe, as also of the recent action taken in Madras in the matter.

A full description of the European systems is to be found in a Special Report presented to the meeting of the Associated Chamber of Commerce of the United Kingdom, held in Exeter Hall in September 1887, of which a short summary by Sir Phillip Magnus appeared a few days later in the *Contemporary Review* (December 1887). The following brief notes are taken from the *Review* as well as from the Report of the Royal Commission on Technical Education.

It may be premised at the outset that in most countries of Europe, elementary education is universal and compulsory. The Primary schools are excellent all over and every endeavour is made to attain a high level of instruction. The course is the same for all and embracing in its higher stages a wide range of subjects, is so framed as to meet all requirements. After the Primary stage is reached, the courses of study divides off in the "Secondary school,"—the *Gymnasia*, teaching for the Universities and the learned professions, and the *Rea-schulen*, for industrial and commercial careers. But it is to be noticed that in these latter general education is continued, and com-

bined with technical and special, and the specialization of the courses is carried out only at an advanced stage. Next come the "special" schools with specialized departments and curricula, training their pupils for the Polytechnic Universities where the highest special instruction is imparted. The *Commercial and Technical* branches proceed on parallel lines, beginning at an advanced stage of secondary education and leading up to the Technological institute. The whole system is thus a skilfully constructed organisation in which a high standard of general education is enforced as a necessary basis for all specialized instruction, and in which even "special" studies are so pursued as to yield the highest intellectual discipline and mental culture.

In *France*, commercial education begins in the Higher Elementary Technical Schools, in which technical and secondary education are combined. Most of these schools have a technical and commercial department, and in the commercial section, the subjects taught include *modern Languages*, *History*, *Geography*, *Law*, *Political Economy*, *Book-keeping* and *office practice*. The schools of Bordeaux, Havre, Amiens, Rheims, Rouen, and Lyons are the most interesting and successful. The *E'cole Martiniere* of Lyons is one of the oldest. The instruction is free, and comprises among other subjects, *shop-work*, *book-keeping* and *modern languages*. The course is one of 3 years, children are admitted between the ages of 13 and 15. The Martiniere boys are said usually to succeed well in their careers. From 60 to 70 per cent go into commercial houses, making good clerks and business assistants. The *E'cole Professionnelle* of Rheims in its commercial departments trains up lads to serve as clerks in merchant's houses, as commercial agents or travellers. The *E'cole Professionnelle* Municipal of Rouen is another school of the same type. Rouen has also a superior school of commerce and industry—supported partly by the town and partly by the State; the Chamber of Commerce also contributes towards the expenses of Special Schools of Commerce; the most important are in Paris. The Paris Schools are of two grades—middle and higher. There are two middle schools—The *E'cole Commerciale* founded by the Chamber of Commerce in 1863, and the *Institute Commerciale* established by a body of merchants as a public company, in 1884. *Modern languages*, *Commercial law* and *geography*, *mathematics*, *book-keeping*, and *short-hand* are the chief subjects of instruction. In the *Institute*, more attention is given to foreign trade and office-work. These and such other schools are

for boys from 13 to 16 years of age, after they leave the Primary school. Above these, we have in Paris two superior colleges for the instruction of better educated youth trained in the *lycees*. A thorough training is here given in the principles and practice of mercantile and banking business. The *E'cole des Hautes Etudes Commerciales* does for mercantile pursuits what the *E'cole Centrale* does for manufacturing industry. The fees are high £40 a year for day students and £112 for boarders, but for poor students several exhibitions have been provided by Government, the Chamber of Commerce, the Bank of France &c. Besides these, there are many evening Schools in Paris and other towns for men going in for a mercantile career, the course embracing among other subjects *industrial* and *commercial Technology*, *Civil Commercial law* and *Political Economy*.

In *Germany*, we have first the *Rea-schulen* which, write the Royal commissioners, "afford an education which is perhaps the best possible general preparation for commercial or trade pursuits." Above them there are special schools of commerce to be found in all the large towns. The most important point to note is that in most of the German Schools, instruction in commercial subjects forms part of the ordinary school education. The merchant's schools are well attended and are independent of Government aid. There are 17 special schools, 9 commercial, 9 middle schools with a less extended course and a large number of evening schools which are attended by clerks, merchants' apprentices, and other persons engaged in mercantile houses. Lads trained in these institutions are much sought after in commercial houses. The curriculum includes among other subjects *Political Economy*, *Commercial Geography*, *and Exchange*. Recently higher courses of lectures on commercial subjects have been arranged in the Polytechnic Schools of the country, which are attended by advanced students from the *Gymnasium*.

In *Austria Hungary*, the commercial institutions are arranged on the German plan. In Austria there are at present 538 commercial schools, 59 mercantile printing schools. The most important of the higher institutions is the *Handels Akademie* of Vienna which is more a commercial university than a High School. "The aim of the present Director, Herr Geheimrath Dr. Sonndorfer, has been to make the training suitable not merely for clerks and managers and the like, *but*

more especially for the principals and heads of business concerns, for future bankers, merchants, manufacturers, and political economists of Austria."

In *Italy*, the bifurcation of studies begins rather too early. "On leaving the elementary school, the children may either enter the gymnasium for a classical education or the technical school, if they are intended for a commercial or industrial career." There are at present 65 technical institutions having a commercial department. Among these may be mentioned the Technical Institute of Como with a commercial side, the course extending over 4 years and comprising among other subjects *Political Economy* and *Civil Law*, *Commercial Statistics* and *Technology*. Another institute of the same type is the Technical Institute of Udini. There is a higher commercial school at Genoa with a curriculum following that of the High Schools of Paris, which promises to be one of the best Schools in Europe.

In *Belgium*, there are numerous middle schools preparing youths for commercial pursuits. The *Athenees* have usually a commercial department. The Commercial Academy of Antwerp is the highest institution of commerce in the country, in which the principals of a large number of Belgium firms have obtained their business education. It is one of the best commercial schools in Europe, sending out annually a number of highly trained men proficient in *foreign languages*, *Commercial Science*, *office-work* &c. who are much sought after in a merchants' office.

In *Switzerland* also there is a well organised system of commercial education. The High Schools have always a commercial section—with an extended course of commercial studies.

The teaching features of these European systems of commercial education may be thus summarised :—

(1) The *Commercial* and *Technical* branches are recognized as the cognate branches of Special Industrial Education, and both proceed on a broad, solid basis of general Education. In all schemes of special training much importance is attached to general culture and the mental discipline it ensures. In Germany, which in all these matters leads the way, even the special studies are pursued more with an eye to their *dis-*

ciplinary value than to *professional*; and much of the success of German enterprise is attributable in the opinion of competent judges to this feature of her educational system.

(2) *Commercial* and *Technical* education, combined with general, starts at a common point at the conclusion of the "Primary" course, and proceeds, hand in hand up to an advanced stage of "secondary" education, beyond which the courses bifurcate, and work up on parallel lines to the highest type of development in special Schools and Technical Universities.

(3) The system is a graded system of education, and is so framed as to suit all classes of learners. There are the Elementary Technical Schools for lads leaving school at the Primary stage, and going in for a commercial career; above them, are the special schools of commerce for advanced students, *e. g.* the *E'cole Professionelle* of Lyons, Rheims, Como and Udini; which supply merchants' clerks, business assistants, commercial agents, commercial travellers &c., and as the crowning top of the edifice, we have Commercial Academies like those of Vienna and Antwerp, imparting the highest types of training, and mainly attended by advanced students from special schools, as also by youths who have completed their classical education in the Gymnasia and the Lycees, and choose a commercial career. They are intended for principals and heads of business concerns and "for future bankers and political economists." Some of the countries go further. The Higher Schools and Institutes of Commerce have sometimes travelling fellowships attached to them, to enable the more capable of their students to reside abroad and supplement and perfect their education. In Belgium, Government allows a grant of £1,800 per year to the Antwerp Academy for the purpose; the scholarships are of the value of £200—300 a year. One of the chief objects of these scholarships, says Sir P. Magnus, is "to encourage the establishment of Commercial houses in Colonial and other settlements." Thus old students of the Academy have flourishing commercial houses in Brazil, Mexico, Melbourne, Chicago and other places.

(4) The schemes of study vary greatly, covering a very wide range of subjects, special attention, however is given among other subjects to (*a*) *Modern languages*—French, German, English, (*b*) *Commercial correspondence* in foreign languages, (*c*) *Commercial History, Commercial Law, and*

Political Economy, (*d*) *Commercial Geography*, (*e*) *Technology of Merchandise*. In all these European schools, the best law subjects are studied with particular care. On a right knowledge of *Commercial Geography*, the extension and development of commerce on a sound and remunerative basis are held to be largely dependent. Thousands of youths are annually sent out from these schools, many of whom are employed as Commercial Agents and Commercial travellers. As for *Technology*, the teaching is always illustrated by reference to raw and manufactured products in a museum which is part of the equipment of nearly every commercial school. Samples are obtained for the Chambers of Commerce and private merchants; in the newest schools the museum communicates with the lecture-room when the students handle and test the specimens by chemical analysis, or by microscopic examination.

(5) Most of these institutions have been in the first instance founded by Chambers of Commerce or merchants and manufacturers, who still contribute to their expenses. The *E'cole*, *e. g.*, of Paris was established by the Chamber of Commerce in 1863; the Paris *Institute Commercial*, by merchants in 1884. The *E'cole Professionnelle* of Rheims was started in 1875 in order "to impart to the youths of the city of Rheims special practial knowledge," and to fit them for commercial pursuits, by the leading manufacturers and tradesmen of the district, assisted by the Local Municipality. The local Bodies mainly bear the charge of these schools, and liberal State grants are obtained. In Germany, they are altogether independent of government aid.

(6) Most of these schools are thoroughly equipped and great care is exercised in selection of teachers. Good Museums Libraries and Laboratories are attached to almost every school, and distinguished men of science and culture are appointed professors.

(7) As to *cost* of *education*, instruction in the higher elementary schools is for the most part gratuitious. In the superior institutions, high rates of fees are charged; but for poor students there are numerous exhibitions, founded by merchants and manufacturers, banking firms, and chambers of commerce.

(8) Lastly, the demand for such trained men of every grade is great and general. They succeed admirably and are

much sought after by banking firms. In England, the supply falls short of the demand; and trained Germans have to be imported in large numbers.

In Canada and the United States there are what are called Business Colleges of every class and grade, giving a thorough training in all branches of commercial and banking business. In England also there is a large number of commercial schools and academies, and book-keeping and other commercial subjects form part of the ordinary school curriculum. Since the publication of the Report of the Royal Commission on the Depression of Trade in 1887, these institutions have been much strengthened and developed. The Associated Chambers of Commerce of the United Kingdom (about 70 in number), at a special conference held in that year, unanimously resolved, "that in order to secure the efficient training of young men intended for commercial and industrial pursuits, there is urgent need for the establishment of public secondary schools, where a superior commercial and technical education may be obtained," and appointed a strong Commercial Committee, including among others the Rt. Hon. A. J. Mundella, M. P., Sir J. Lubbock, Sir H. E. Roscoe, Sir P. Magnus, Prof. Huxley and Sir A. Rollins, to draw up a practical scheme. The scheme of Commercial Education prepared by the Committee and adopted by the Associated Chambers deserves special notice, as indicating the new lines on which it is attempted to organise in England Superior Commercial Training. The scheme formulated with much minuteness of detail a carefully graduated course of commercial instruction, combined with a fair knowledge of general and scientific subjects, marked off into two progressive stages—(1) a *Junior course* of 6 years for boys from 10—16 years of age and (2) a *Senior course* of 2 years for boys of 17 and upward; Examinations are held at the end of each course, and certificates granted; and over 175 leading firms and commercial houses in the United Kingdom "have consented to give a preference" to these certificated men in regard to employment. The programme of studies is much the same as the German and French scheme for superior special schools, and prescribes a variety of subjects compulsory and optional. For the *Junior* commercial certificate there are, among other subjects, *a Modern Language*—French, German &c., *Commercial History and Commercial Geography*, Mercantile Arithmetic, and Book-keeping; for the *Senior*,—*Modern Languages, Commercial History and Geography, Commercial and Industrial Law, Commerce (including Political Economy,*

Principles of Commerce, Foreign Exchanges, Banking) and *Commercial and Mental Arithmetic, Short-hand and Insurance*; as also *Commercial Correspondence.*

From the foregoing review it will appear how comprehensive is the system of Commercial Education existing in these European countries, and with what eminent skill and success it has been built up. The recent commercial history of Europe—particularly of the Continental nations—bears eloquent testimony to the value of such commercial training and its influence on commercial activity. There can indeed be no stronger proof of the "Power that waits on knowledge" and science applied to the service of industry and commerce than the remarkable progress of Germany achieved in recent years against heavy odds. Even, England with all her characteristic energy and disciplined strength of centuries has had during the past few years, to revise her systems of education, and bring them up into line with those of the Continental nations in respect of the training provided for mercantile careers. Here we have only to take note of the fact that it is the disciplined competition of Europe that our merchants have to meet, and if we mean to hold our own in the field in the presence of such competition, we must no longer allow ourselves to be unarmed and unequipped for the contest. We should look the problem in the face and recognise the necessity for our merchant classes of the special training they require. The preceding review of the European systems shows on what foundation we may begin and on what lines proceed.

Lastly it remains to notice what has been done in Madras in this direction. Madras is the only Indian Province, where anything has yet been attempted in this new line, and particular interest attaches to these efforts. Here, the honour of the initiation belongs to Mr. J. Adam, Principal, Pachiappa's College, who in 1883 suggested, with the hearty concurrence of the Madras Chamber of Commerce, and in view of the Education Commission's recommendation on the subject, that commercial training should be provided in the public schools for youths choosing a mercantile career; and as a beginning, proposed the opening of commercial classes in English schools, and the inclusion of commercial subjects in the curriculum of the public service Examinations. Mr. Grigg, Director of Public Instructions, Madras, cordially supported the suggestion. On his recommendation the Madras Government sanctioned the scheme, and added commercial subjects to the courses

prescribed for the Lower and Upper secondary Examinations, which are also the recognised qualifying tests for admission to the lower grades of the public services. Steps were immediately taken to start a commercial school in connection with Pachiappa's College, to prepare pupils in commercial subjects for their Lower and Upper Secondary Examination. At the suggestion of Mr. Adam, the trustees of the Pachiappa's Charities sanctioned the project, and Chengalroya Naicker's commercial school was opened in 1886. It is now maintained as a separate institution under a Head Master who is a distinguished Cambridge graduate. The expenses of the school are met from three sources—fees, endowment in the hands of the Pachiappa Trustees, and Government grants—these taking the form of salary grants *i. e.* a proportion of each teacher's salary. It teaches among other subjects *Commercial correspondence*, *Banking* and *Exchange*, *Political Economy* and *Commercial Law*. Government examinations, arranged in three stages, are held in these subjects and certificates awarded. The School has now 150 boys on its rolls, and its passed men find ready employment in commercial houses. It has day-classes for general and Commercial Education and evening classes for Commercial only. There are, besides, in the Presidency a dozen commercial classes preparing boys for the Lower and Upper Secondary Examinations. In the Government Teachers College, Madras, Commercial instruction is given to Normal students and several F. A.'s and B. A.'s are at present undergoing the course. The demand for certificated men from these classes is great; and a steady number of mercantile firms have promised to give them preference.

Our Madras friends have yet higher aims in view. In 1887, Mr. Adam with the co-operation of the Chamber of Commerce arranged a scheme of Higher Examination in commerce, one such examination was held, but since then, the project has been allowed to stand over. A diploma in commerce with an advanced test to secure a superior type of commercial education is under consideration. But the Madras University still declines to co-operate. This Madras experiment has now been on its trial these six years, and this marked success which has attended it so far is distinctly encouraging.

Punjab has also resolved to move in the matter. The co-operation of the University has been enlisted in the cause, and Mr. Sime, Director of Public Instruction, Lahore, writes "that it has been decided to hold a special examination parallel with

the entrance examination for such candidates as may wish to engage in commercial pursuits or enter a public office and for which examination, courses of study are to be introduced into the schools of the Province as they may be required." The plan contemplated is much wider and more systematic than the Madras one.

While thus, Madras has already made an excellent beginning, and Punjab has decided to follow with a larger scheme of operation, we may be permitted to hope that Bombay, which claims to be one of the most progressive Provinces in the Empire, and in commercial activity is ahead of them all, will not defer action in the matter much longer. We have the experience of Europe to guide us in the new departure, and the successful efforts of our friends in Madras ought to encourage us.

With these remarks, we will now proceed to indicate broadway the lines on which we desire that action may be taken in the Presidency in the new line. In regard to practical action, the questions for consideration are mainly three:—

(1) What is the kind of instruction required and aimed at, and what classes require it? (2) What teaching agencies are available, and what new ones have to be called into existence for the purpose? (3) What should be the scheme of work? (4) Funds, required to give practical effect to the plan.

On the first point, it may at once be said that we ought to aim sufficiently high. No more clerical instruction can meet our requirements. Bombay with her vast manufacturing and commercial interests will not, and ought not to be satisfied with mere commercial schools for clerks and business assistants. Our Provincial share, even excluding Sindh, in the foreign trade of the country is over 40 per cent of the total volume—about 80 crores out of a total of 197. The city of Bombay is not only the capital of the Presidency, but also the commercial metropolis of the Empire; and with its 82 Cotton Mills out of a total of 115 in all India, is the centre of an industry which promises to be one of the most important industries of the country. Our Bhattia, Khoja, and Parsee Merchants represent a section of the Community one of the foremost in commercial enterprise. We, therefore, require not mere clerks but a superior class of trained commercial men for the service of the trade and commerce of the Province. Our merchants want

qualified men to be Managers and Superintendents of business: the Mill owners of Bombay would be glad to send out intelligent trained men as commercial agents to push the sale of their cotton twist yarn and peice goods in the markets of upper Asia and East Africa. Our exporting and importing firms require men of good education to take charge of agencies abroad; even European firms would like to have such trained men in the higher branches of their establishments. The want of such men has been long felt in several of the more important trade centres of the Presidency—particularly in Gujerat and the Deccan, but no-where, so keenly as in Bombay, the central emporium of India.

The want so felt decides the type of commercial training that we require. The demand is for a really superior type of instruction, such as is imparted in the Higher Special Schools of Commerce in Europe *e. g.*, *E'cole Commercial* of Paris, and we are sure, the Commercial opinion of Bombay would not accept anything lower. Indeed, for sometime past, the need for such instruction has exercised the mind of the Commercial Community of Bombay, and there have been projects of Commercial classes with more or less comprehensive schemes of study, and we now learn on good authority that the trustees of the Byramji Jeejeebhoy Charities have in view the establishment of suitable institutions for the training of youths choosing a mercantile career.

The type of education required being so defined, the next question is, what teaching institutions are required? The idea of a superior Commercial Academy like the *Handels Akademi* of Vienna has, of course, for the present to be put aside. The cost of equipment and maintenance would of itself be prohibitive, and besides, we are not certain that there is at this moment, any clear intelligent demand for such high type of commercial training. But we think, it would not be utopian or in any way out of harmony with existing needs to suggest that there should be a *central college of commerce* located in Bombay, the centre of our commercial activity, with feeder-institutions in the Mofussil, to impart to our youths going in for commercial pursuits the superior kind of education that is necessary. The aim of the College should be to train up managers and directors of business concerns and to attract to the higher branches of commercial life some of the better educated men of our schools and colleges and thereby to drive into channels of national commerce a proportion of the youthful

cultivated intelligence of the Province. As for the programme of studies, we would advocate the adoption of the scheme of Commercial education approved by the associated Chambers of Commerce in England. It is a most carefully worked-out scheme, and with a few modifications would *suit* our requirements best. Besides a *European language*, French or German, a knowledge of *an Indian Vernacular*—say Hindi or Gujerathi, should be insisted upon, and other subjects *Commercial History*, *Commercial Geography*, *Political Economy* and *Banking*, *Commercial law*, *Correspondence* and Chemical *Technology* of merchandise should form part of the curriculum. The course of the college should be one of 4 years—the *fourth year* standard of the English scheme being taken as the starting-point; and be divided into three stages—(1) a *Junior* course (2) a *Senior* course, each of 1½ years (3) an *Advanced* course for the fourth year; to which there should be three corresponding Examinations (1) *Junior Certificate* (2) a *Senior Certificate* (3) *Honour's Examination* in Commerce. The College should be affiliated to the University, and be recognised for the Honours' list, which should entitle the passed candidate to a University Diploma in Commerce. Here as also in other directions, co-operation of the University would be necessary and we may be sure, it would not be withheld. In the eloquent words of the Rev. Dr. Mackichan (*Vide* Convocation speech 1890), we would say, "if the life of the nation requires it, so long as Universities are in touch with the life, they will be bound to respond to that demand." The recognition of the College for the Final Test by the University would be much appreciated and serve to give a strong impetus to the studies. The test of qualification for admission to the college should be sufficiently high—certainly not lower than the Matriculation or the U. S. F. test of the University. Any lower standard would afford no guarantee of an adequate basis of general education—so much insisted on and rightly in all Continental schools, and without which specialized instruction misses its higher disciplinarian aim.

As an immediate feeder to the College, we would propose a commercial High School at Poona, training pupils for the Junior and Senior certificate examinations with a three years' course. A similar school might also be organised at Ahmedabad, the commercial capital of Gujerat, Lower down, we would have commercial schools, on the plan of Chengalroya Naicker's commercial school, Madras, in connection with our Provincial Colleges of Kolhapur and Karachi, preparing candidates for

the junior certificate Examination with a course, say of 2 years. They would be secondary feeders to the Central College, and nearly correspond to what are known as the High Elementary Technical Schools in Europe like the *E'cole Professionnelle* of Rheims. Lastly, as a substructure to the edifice, we would recommend the establishment of commercial classes in the High Schools of the Presidency such as are contemplated in the Punjab or in some places (*e. g.* Trichinopoly) established in theMadras Presidency. They would represent a most appropriate expansion of the "modern side" of our system of secondary education and train up boys, side by side, with the science classes for the University Schools Final Test. Here too, the help of the University would be needed. A commercial group of subjects—(*e. g. Commercial Geography, Commercial History, Commercial correspondence, Book-keeping*, and Elements of *Political Economy*) would have to be added as an optional group to the existing curriculum of the U. S. F. Examination as proposed in the Punjab; Government also would have to recognise it as a "qualifying" subject for the Public service. We would also submit, some such subjects might be usefully included in the schemes for the 2nd and 3rd grade P. S. C. Examinations as has been done in the Madras Presidency.

Next as to *control* and *management*. The High School classes would of course be under the control of the Educational Department. The Provincial Schools would be under the direction of the authorities of the Colleges to which they might be attached. *Chengalroya Naicker's* School at Madras was long under the supervision of the Principal, Pachaippa's College. As regards the Central College, it should be, like the Victoria Technical Institute, under the direction of an independent Board on which Government, the University, the Municipality and the Chamber of Commerce should be represented. The institution should be under a Competent European specialist as Principal with an adequate staff of tutors. The Commercial High Schools of Poona and Ahmedabad should work as independent institutions, aided like the colleges, each under a competent European Headmaster. The College and the Schools would need to be equipped with museums, laboratories and libraries.

But the success of any such scheme of commercial education must mainly depend upon the support and co-operation it might enlist of the mercantile classes. Like the 170 leading

firms in England who have agreed to support the London scheme, the Bombay Merchants and Merchant's Associations, the Chamber of Commerce, Bombay, the Sholapur Chambers of Commerce, the Poona Traders Association—should be invited to recognize the certificates of the new schools and the diplomas of the college in regard to employment. The demand for men trained in these institutions would also have, at the initial stage, to be improved and supplemented by the recognition by Government of those tests as "qualifying" tests for admission to some of the lower and higher branches of the Revenue Services such as *Customs*, *Excise*, *Accounts*.

Lastly, comes the question of *Funds*. The source of income would be (1) fees of scholars, (2) charitable and private endowments, (3) Government grants and (4) municipal contributions. As regards *charitable and other endowments*, the Trustees of the B. Jeejeebhoy's charities might be invited to accord their help to the new institutions, like the Trustees of Pachiappa's charities in Madras; so also the Gokuldas Tejpal Trustees. Aid might be looked for from other directions also—the merchants of Bombay—Parsees, Bhattias and Khojas—would give us some help; the Mill-owners Association, Bombay, would also co-operate. But we also have a right to count upon the cordial support, in carrying out the scheme, of the Bombay Chamber of Commerce—a chamber which, as representing in our midst the broad views and liberal sentiments of the middle classes in England, has never withheld its encouragement and help from projects, calculated to advance the prosperity of Bombay. Next as to *Government Grants*,—it is allowable to hope that they would be liberal: they might advantageously take the forms of salary-grants as in Madras. The object of the scheme has the approval of the highest authorities in the land, which is none other than to divert into the channel of industry and commerce some of the youthful talent and energy of the country, which is now more or less, for want of a field and in the absence of needful facilities, running to waste; and we may depend upon it, it would receive at the hands of the Local Government all the support it deserves. Lastly, as to municipal contributions, much would depend upon the attitude which the Bombay Municipality might think fit to take in the matter. Without its support, it is clear that it would not be possible to start a Central College of Commerce in Bombay such as is proposed. As the foremost and richest Municipality in the Presidency, it might fairly be referred to lead the way in this movement; and should it be disposed

liberally to respond to our appeal for help in the new departure, the success of the scheme is assured. Several of our mofussil municipalities—notably those of Poona, Sholapur and Ahmedabad—might come forward with offers to substantial contributions.

The main features of the scheme above detailed might be thus summarised:—

I. The *New Machinery etc.* (*a*) *A Central College of Commerce in Bombay* under a European Principal, to work as an aided institution under the control of independent Board—with a 4 years' course—arranged in 3 stages—junior, senior, and advanced, the last to qualify for a diploma in Commerce.

(*b*). *Feeder institutions*—(1) *Commercial High Schools*, one in Poona and one at Ahmedabad, to teach for the senior Certificate examinations; (2) *Provincial Schools* at Karachi and Kolhapur, training boys for the junior certificate; and (3) *Commercial classes* in High schools, teaching for the U. S. F. Test in the optional group of commercial subjects to be included in the scheme of that Examination.

II. The *Scheme of studies* to be the *same as the London scheme* of commercial education with modifications—the course to begin at the 4 years stage, other examinations to be three instead of two. Among other subjects an Indian Vernacular, Hindi or Gujarathi; together with a European modern language—French or German.

III. *Aid of the University*—(*a*) to recognise the college for the final test and grant a Diploma in Commerce, and (*b*) to add a group of commercial subjects to the curriculum of School Final Examination.

IV. *Aid of Government*—(*a*) to recognise these certificates—Junior and Senior for the Public Service; (*b*) to add commercial subjects to the schemes; the Public Service Certificated men of these should be eligible for employment in customs, excise and account branches of the Service.

V. *Aid of the Mercantile* bodies—to prefer for emloyment these certificated men.

VI. *Funds*—fees, charitable and other endowments, Government grants, and Municipal contribution.

Such is in brief out-line the scheme we would venture to submit for the consideration of the Conference. It is framed on lines suggested by a study of the various systems of commercial education in European countries and with due regard to our wants and conditions.

It is however only a question of working-plan; and whether the scheme recommended above meets with the approval of the Conference or not, we feel confident that they will unanimously recognise the necessity of providing for our youths suitable scientific training for commercial pursuits. The old apprenticeship system of the country—which well suited the requirements of an older age—can no longer suffice for the wants of the time in which we live, and it requires to be replaced, in the higher interests of the industrial life of the country, by more systematic methods of commercial training. We anticipate great and lasting benefits from the provision of such training, which we think will render available for the service of the trade and commerce of the Presidency some of the highest talent and energy of the country, and place the commercial activities of the community upon a solid and secure foundation in the proper educational equipment of those who are, in the natural course of events, to have the direction of them. To the sceptic, we would content ourselves with saying:—

"Is the goal so far away?
Far, how far, no tongue can say,"
Let us dream our dream to-day.

A NOTE ON AGRICULTURAL EDUCATION. *

"*Knowledge is Power.*"

Agriculture is no longer what it once was—rude, rustic husbandry, a simple manual mechanical operation, an empirical pursuit. All over Europe and America, it is now regarded as an industrial art of a highly complex and difficult nature, requiring for its successful prosecution an application of several sciences. Agriculture takes its rank "as a scientific occupation," and it is deemed essential that the farmer, quite as much as the surgeon and the engineer, should receive proper instruction in his work; and his efficiency is measured, as is that of every other industrial worker, by his ability to get the largest return with the smallest expenditure of time, labour, and material resource. And agricultural education, as is now understood, in the advanced countries of Europe, includes a systematic course of technical instruction in the theory and practice of agriculture, thus regarded as an industrial art, and embraces in its range a wide sweep of varied scientific knowledge in its manifold practical applications to the cultivation of the soil.

In all countries and at all stages of progress, such education, when evenly and widely diffused among the rural classes, must be of incalculable benefit to the progress and improvement of agriculture. For in this, as in every other field of productive industry, science and science-guided skill are in these days indispensable requisites of practical success, as tending to the maximum economy of effort and material means. And the trained farmer, with his trained eye and hands and the moral resourcefulness which his training gives him, will do his work infinitely better than one left to the guidance of his untutored mind and crude experience.

But in agriculture, even more than in any other industry, is the help of scientific knowledge and training indispensable. For it is in one sense an exceptional industry which, unlike every other, is subject to the economic law of *diminishing*

* This note was read at the Industrial Conference held at Poona, on Monday 4th September 1893.

returns. As J. S. Mill remarks (*vidè* P. E., ch. XII): "After a certain and not very advanced stage in the progress of agriculture, it is the law of production from the land that in any given state of agricultural skill and knowledge, by increasing the labour, the produce is not increased in an equal degree; doubling the labour does not double the produce; or, to express the same thing in other words, every increase of produce is obtained by a more than proportional increase in the application of labour to the land." With the help of science and scientific education, it is always desirable to endeavour to minimise this inevitable waste of energy involved in this pursuit.

In countries where there are limitless reaches of virgin soil at command, agricultural education, however useful and desirable *per se*, is not deemed absolutely necessary. The need of scientific methods of agriculture is not felt, increase in production to meet the requirements of growing population being easily secured by extension of cultivation to fresh areas. In the United States, Canada and Australia, the effort is rather to get out of the land the maximum return it can yield in proportion to the labour employed, and additional labour and resource are carried elsewhere. Here scientific farming is unnecessary, and is considered too costly a method, and simple fallowing is the easy restorative means adopted.

But in old and populous countries, where cultivation at a comparatively early stage reaches its limits of expansion, and tends, with the advancing needs of an advancing population, to become—in the normal course of progress—more and more *intensive*, applied science is required to help in the change, and agricultural training becomes an economic necessity. In most European countries such a change from *extensive* to *intensive* agriculture has taken place within the last fifty or sixty years, and one of the most powerful means, by which the change has been carried out, has been a wide diffusion, under a carefully planned and graded system of agricultural education and through a skilfully constructed and wide-branching machinery, of sound scientific agricultural knowledge among all classes of rural society.

In India there is an industrial dead-lock of a most severe and formidable type. Agriculture is with us the one sheet-anchor of our economic life, the one staple industry, to which we trust to meet the wants of our growing numbers, to provide for an expanding export, and to pay for the growing charges

of a progressive administration. And yet no industry could be in a worse plight. The limits of agricultural extension have long since been, in most Provinces, reached and even overstepped; and, notwithstanding, evidence is accumulating as to *positive agricultural deterioration* all over the country, notably in the N. W. Provinces and Oudh, in Madras and in our own Presidency. The exhaustion of the soil under an exhausting system of cultivation is fast proceeding and the agricultural outturn per acre is on an average even less than 12 bushels,—a measure of yield about the lowest by comparison (*vide* marginal table) in all the world; and now even the food-supply of the country is in serious danger! The industry continues in its old grooves and the ryot is left to struggle as best he may in his helpless ignorance, no effort being made to call to his aid the resources of science and scientific training! Surely this is not as it should be. The situation is full of peril, and, as the Famine Commissioners write, it is "essential that technical knowledge should be called in to enable the productive powers of the soil to be applied in the most effect manner, not merely to add to the wealth of the country, but to secure a good supply which shall keep pace with the increase of population." Thus, a comprehensive scheme of agricultural education intended to raise the general plane of rural intelligence and agricultural work is, with us, not a mere educational desideratum, but an imperative economic necessity, an indispensable help to agricultural improvement, which we can no longer afford, under penalty of chronic famines and disaster, to neglect.

Country.	Bushels per acre.
United Kingdom ...	30
France...	20
Germany	18
Belgium and Holland.	26
Italy	15
Russia...	16
Europe	15
India	11·5

Under these circumstances it is satisfactory to observe that the situation and its requirements find such general recognition. Government acknowledges, in the fullest manner, its obligations in the matter of providing agricultural education for the landed classes, and practical measures are being organized in most Provinces. And what is still more encouraging, even the landed classes themselves are coming forward to help the movement, *e. g.*, the Talukdars of Oudh and the landed gentry of Gujerat.

Clearly, it is most important that the new efforts should proceed on lines shown by experience to be good and safe, and the question for consideration is: what should be our working-plan in our new departure? A well defined programme is essential, otherwise there would be waste of energy and the risk of eventual failure.

We will begin with a brief survey of the European systems of agricultural education as described in the Royal Commission's Report on Technical Education.

It is necessary to premise that in these European countries the entire fabric of industrial instruction—agricultural and other—rests on the solid foundation of a wide-spread primary education which is general and in some cases even compulsory by law. A strong substantial basis of general education and knowledge is thus ensured, on which special instruction in the arts and sciences proceeds, along varied lines, in well ordered sequence. In France, in Germany, in Denmark, in Belgium, in Holland,—in each of these countries there is a complete and elaborate system of agricultural education, constructed on the basis of an advanced course of elementary instruction. Well-equipped institutions are provided for every grade and class of agricultural workers, from the small tenants and farm-labourers to the large-landed proprietors. The instruction imparted is varied and adopted to the varying requirements of the different landed classes. Practice is more or less combined with science, and especially in Germany even general education is continued along-side of technical in all the lower stages of the specialized agricultural course. Almost invariably each one of these institutions has a farm or a garden plot attached to it for purposes of experimental demonstration or illustration. The special education is highly prized and eagerly sought after, and trained pupils of these agricultural institutes readily find employment as farm bailiffs, managers and superintendents, or, in the case of the higher landed classes, return to their own estates and carry out agricultural improvements. It is remarkable that, in most countries, these institutions owe their origin to the State initiative, and are largely maintained by the aid of State subventions. Of these, the French system is, by general consent, the best and the most advanced; and as it seems to offer to us a suitable model for imitation, a fuller account of it might not be deemed out of place.

In France primary education is universal and compulsory by statute, and in all primary schools instruction in agriculture

is given after the lower elementary stage is reached as an optional *special* side. On this basis rests the entire system of special education in the country. The agricultural institutions, as at present organized, are of three grades—*higher*, *intermediate* and *lower*—and range themselves as under :—

French Institutions.

1	Institut National Agronomique.
3	Regional Schools of Agriculture.
9	Practical Schools of Agriculture.
2	Shepherd's Schools.
23	Farm Schools.
1	School of Horticulture at Versailles.
4	Small Schools of Horticulture.
23	Agronomic Stations.
55	Departmental Professors of Agriculture.

Of these, the *Institut National Agronomique* is the highest agricultural institute in France, intended to impart the most finished course of instruction in the specialized department of agriculture. The admission test is high—a science degree or its equivalent. The course extends over 2 to 3 years, and is a most elaborate one. Besides mechanics, general and agricultural chemistry, geology, zoology, physiology, botany, &c., the curriculum includes, among the subjects taught, agricultural technology, comparative agriculture, administrative law, and rural legislation. The plan of instruction embraces, besides theoretical instruction in the advanced sciences, practical exercises in farm work, laboratory practice, agricultural discussions, and excursions for observation and study.

The pupils number about 120, and pay a fee of £12 a year. The State grant for the institute is £10,000, and two travelling scholarships are awarded every year to the first two successful candidates who pass the final tests, to encourage a study of the agricultural systems of foreign countries. As to the status of the pupils, one-half of them are sons of land-owners intending to farm their own properties, and the other half is composed of young men whose future callings may be thus epitomized :—

(1) Officers of the Government Department of Agriculture.

(2) Professors of agriculture in the departments and at the regional schools, directors of farm schools, &c. There are about 100 such places in France.

(3) Directors of agricultural experimental stations and agricultural laboratories.

(4) Directors of sugar manufactories, distilleries, &c.

(5) Agricultural engineers.

(6) Large tenant farmers, or managers of agricultural companies in Algeria, &c.

Next come the *regional* schools—"one for a certain number of departments forming an agricultural region." The courses of study have special reference to the agriculture and agricultural requirements of the several agricultural "regions". These schools are secondary institutions, each with a large experimental farm, designed for young men who are sons of proprietors and farmers and others who desire to devote themselves to agricultural pursuits. Those who pass the final test receive a diploma from the Minister of Agriculture. The diploma is highly valued, and the passed men readily obtain good situations. These schools are maintained by the State. The regional school of Grignon is the best, with a roll of about 100 scholars, the annual charge coming up to £15,000 paid by the State. These regional schools are very popular and are of special interest, as being placed in direct touch with the agricultural life of their respective "regions".

Next in the scale we have the *practical schools of agriculture*, founded for the sons of well-to-do small farmers. The cost is borne partly by the Central Government and partly by the local departments. The instruction given is thoroughly practical, with only a small admixture of theory, and is in several schools combined with general education. The agricultural course varies according to the diverse cultural conditions of the several districts, and the subjects include agriculture and rural economy, the breeding, management and feeding of cattle, measurement and levelling, agricultural book-keeping, construction and use of agricultural machinery, and rural law.

Lastly, as forming the substructure of the edifice, we have a large number of farm schools for the benefit of the small

farmers and farm-labourers. The pupils are termed "apprentices," and are bound to work on the farms for 2 to 3 years. In each school the number of apprentices admitted varies with the size of the farm; the apprentices are lodged and boarded at the expense of the State, which pays £10-16-0 a year for each apprentice, including medical attendance. The design of the farm-school is authoritatively laid down, the farm giving the apprentices the best professional education and serving as a model to the whole district, as a profitable example of cultivation, while the "director in his school has to explain the most important operations to his pupil in the most simple manner, both practically and theoretically". The object of the farm-school is to train good cultivators and not men of science. These schools are all State institutions. The successful apprentices get certificates and small presents of money. They go back to their fathers' farms or proceed to superior agricultural schools, or obtain situations as farm-bailiffs or foremen on large farms; they are eagerly sought for on holdings where high farming is practised and improved machines are used.

Besides these, there are numerous special schools of horticulture, forestry, cheese-making, &c., and we have also various normal schools for the training of agricultural teachers.

Finally, the whole organization of agricultural education is supplemented by the appointment of Travelling Departmental Professors of Agriculture. The salaries of these professors range from £120 to £180 per annum—all paid by the State. These professors are assigned a most interesting function in the general scheme. Besides teaching in the normal schools, they go about the districts delivering lectures on practical agriculture in the different communes of their several departments to the teachers and agriculturists of the "regions"; discussions follow, and an exchange of views and experiences takes place. The following citations from the Minister of Agriculture's (M. Tirard) instructions to these professors will be read with interest:—

"Your mission is to keep the cultivators informed respecting modern discoveries and new inventions of economical and advantageous application, so as to let them be ignorant of nothing which it is to their advantage to know, but to lead them forward in the general movement of progress in which they participate to so small an extent owing to their isolation. You will have to instruct them as to what reforms

they may introduce in the processes of cultivation, in the selection and feeding of animals. You will also call their attention to the preparation of manures, their utilizations, the way in which to increase their quantity by making use of fertilizing materials which are too often lost in the country districts. You will show to them the advantages which arise from a good choice of seeds, and of the varieties of plants cultivated, and more particularly how to extirpate weeds which take the place of useful plants, how to combat parasites of all kinds which ravage the crops, &c., &c. You will develop in them the love of progress and that spirit of initiative which causes them not to expect all from circumstances, or in due time, but from their own efforts. You will take care to cite as examples the results obtained by enlightened cultivators who employ good methods. You should, in short, exert yourself to describe in each locality what agriculture ought to be, and, after examination, you should indicate what should be done. It is in confining yourself to practical improvements, to operations which have been tested, and which have an immediate interest, that you will be enabled to gain the confidence of the cultivators and attain the desired end. In addressing cultivators and practical men who have the knowledge for themselves which tradition gives—that is to say, the slow and patient observation of facts from generation to generation—you should dwell only upon well-known truths and principles clearly proved by science. You will lay before them, therefore, only well-established facts, and you will limit yourself to the recommendation of improvements sanctioned by experience. It is also your business to secure the co-operation of agriculturists and agricultural associations, in order to organize them, and to stimulate thus the taste for practical trials and tests."

Such is briefly the teaching machinery in France for specialized instruction in agriculture. The Central Institut National Agronomique of Paris, the regional schools, the departmental practical schools, and the communal farm-schools—these institutions, each complete in its equipment and strong in its teaching and controlling staff, provide a varied and graded training both theoretical and practical for every class of young men who desire to follow agricultural pursuits; and the departmental professors help to continue the course of instruction for the adult agriculturists, carrying it to their farms and home-steads in the communes and constitute a most interesting intermediate agency, connecting, in an unbroken line of continuity, the agricultural teaching of the schools and

institutes and the agricultural life of rural France. The central aim of the organization is not only to supply sound and systematic training for the farmers, but also to maintain the entire agricultural system of the country on a high plane of efficiency and always in real, living touch with the general scientific and industrial advance of the times. No expense is grudged, no effort spared, to make farming as *scientific and extensive* as possible, and the marvellous progress of French agriculture during the last 20 to 30 years bears eloquent testimony to the beneficial influence exercised by these schools and institutes on the general course of the industry.

Coming to India, the first thing that painfully strikes the observer is the utter inadequacy of the existing provision for primary education. According to recent returns, the number of towns and villages in British India, excluding Upper Burma, is 575,458; while the total number of educational institutions, both public and private, is 138,054, so that the percentage of schools to number of towns and villages is 33·9, and 437,431 towns and villages in British territory (76·1 per cent) are still absolutely without educational facilities of any kind! So, again, the total number of scholars is 3,682,767, of whom 3,368,930 are boys and 313, 777 girls. The children of school-going age, taken at 15 per cent of the total population of the country, number over 33 millions, and we have barely 10 per cent of the number at school. This means that close on 30 millions and more of our young children are at this moment growing up in ignorance—30 millions of our rising generation condemned by our defective organization of primary education to be brought up in darkness, and the mental servitude and the moral helplessness it implies and involves. What a waste—an appalling moral waste of talent and opportunity is here! As the Hon. Mr. Nolan, Secretary to the Government of Bengal, truly observes: "The fact is that the cultivators are illiterate and their children are growing up in ignorance, the exceptions being so rare and isolated as to be of no account for agricultural purposes. Now, if there is one principle on which modern statesmen in all countries are agreed, it is that popular education is the only means by which the condition of the masses can be permanently raised; and this truth has a special application to India, where these illiterate labourers are left to accomplish without superior guidance the great economic task of the country." This is a grave state of things, and every strenuous endeavour ought to be made to alter it. A large and substantial increase in the number of primary schools in all the

Provinces is most urgently called for as a necessary foundation, without which any comprehensive scheme of specialized industrial education for the masses is a practical impossibility; and we would most earnestly join with Dr. Voelcker and the Simla Committee in pressing upon the attention of Government the paramount importance of extending primary education all over the country.

Passing next to the existing arrangements for agricultural education, it is clear that in no Provinces have we yet got any far, beyond the first, preliminary beginnings of a practical endeavour. In *Bengal* an Agricultural Primer is taught in the village schools but no special institutions for the teaching of agriculture as yet exist. In the *N. W. Provinces and Oudh*, a school of agriculture has just been established at Lucknow with a two years' curriculum divided into junior and senior, and including, among other subjects, the elements of agricultural chemistry, botany and surveying. The admission test is the Middle English or Matriculation Standard and the object of the school is to afford elementary practical agricultural instruction to "(1) Kanungos and other revenue employees or candidates for revenue employment; (2) persons wishing to obtain agricultural certificates or diplomas, which might enable them to obtain posts as agricultural teachers or managers of experimental farms; (3) landowners and others wishing to learn something of the theory and the rational practices of agriculture for application to the management of their own properties". In the *Central Provinces*, as in Bengal, an Agricultural Primer is read in the village schools, and we have, besides, a good school of agriculture at Nagpur with a normal class composed of Vernacular teachers—2 from each district. The course of study comprises agriculture, surveying, chemistry, botany, geology, elementary veterinary science and drawing. The instruction is thoroughly practical in the field and laboratory. To ensure that the students acquire a practical knowledge of agriculture, plots of land are allotted to them, which they are required to cultivate with their own hands. They are permitted to keep the produce. The students also maintain a labour journal and cultivation book for the experiments conducted on the experimental farm. A small veterinary dispensary is attached to the class for practical instruction in the treatment of more common forms of cattle disease. There was also a travelling lecturer some time ago, but the place seems now to have been unfortunately abolished. In *Madras* we have an excellent Agricultural College at Saidapet, founded in 1865,

but it is yet an isolated institution without feeders and without much connection with the general scheme of Vernacular education in the Presidency. The instruction imparted is of a superior type, embracing a wide range of subjects. Agriculture is an optional subject for the Public Service Examinations, but owing, it is said, to want of teachers, "it is taught in very few schools, and even in them the instruction given is far from satisfactory". In our own *Presidency*, there is no separate special machinery; but the Poona and Baroda Colleges have each a strong agricultural section organised under a special European Professor; and 8 agricultural classes attached to 8 High Schools in the mofussil. The University grants a diploma in agriculture to the successful pupils of the Colleges, and the curriculum provides for a three years' course, and comprises a wide range of subjects, among others, agriculture, botany, geology, chemistry, qualitative analysis, surveying, veterinary pathology, &c. The programme of studies for the High School agricultural classes is an elementary one and extends over two years; and agriculture is also an optional subject for the U. S. F. test recognized by the University. Little, however, is yet done to reach the cultivating classes through the village schools. The *Punjab* is about the only Province which is absolutely without means of imparting agricultural instruction of any kind.

Such are our existing arrangements. Larger developments are under contemplation in most Provinces, notably in Madras. In *Bengal*, it is proposed to organize a strong Agricultural College at Seebpore, and measures are being adopted for introducing elementary instruction into the primary schools. In the *Central Provinces* the plan is to introduce a systematic course of agricultural training into the more important Vernacular schools of all the 18 Districts or Tahasils. In *Madras* a much broader scheme is under the consideration of the Local Government. There is already an admirable College at Saidapet, where superior instruction is given and the Local Administration proposes to establish five farm schools, apparently on the French plan, in five representative districts, as feeders to the central College. Government further contemplates, in course of time, an agricultural school in each of the 21 Districts of the Presidency. Altogether the Madras scheme appears to us to be a comprehensive one.

With this hurried survey of the European system and the arrangements in India existing and contemplated, for the educa-

tion of the rural classes in agriculture, we would proceed to state briefly our own ideas on this important subject, confining our view to our own Presidency. The points for consideration are, among others, chiefly these—

(1) What sort of special agricultural instruction is required?

(2) For what classes is such instruction desired?

(3) The question of the teaching agency. What existing institutions, if any, can be utilized for the purpose by modification or enlargement? And what new special institutions are needed?

(4) The curricula of studies.

(5) The question of management and control.

(6) The question of funds.

(7) Any special measures for the encouragement of the new studies.

On the first point, we would at once say that we want and desire a well-graded system of agricultural education complete in all its branches of higher, intermediate and lower as is contemplated in the Madras scheme. Technical instruction should be, as in the French systems, arranged on a thorough combination of *practice* with *science*; for as Dr. Thaer, the founder of systematic agricultural education in Germany, would say, "agriculture cannot be learnt entirely by attending lectures delivered from the professorial chair." Besides, the special course ought not to begin except on a broad basis of general education and culture ensured by adequate entrance tests, without which and the logical, disciplined tone and habit of mind it gives, specialized instruction does not well succeed; and even in the pursuit of special studies we would desire that attention should be given as much to their disciplinary as to their scientific and technical value.

Next as to the classes for which such training is desired, they may be grouped as under:—

(1) The large-landed proprietors—the holders of Inams and Jahagirs, the Talukdars, the Khots, the large Watandars, the Mehewasi holders, the Jamindars, &c.

(2) Large capitalist farmers, whose holdings average between 100 to 500 acres.

(3) The small land-holders with holdings of 25 to 100 acres.

(4) The smaller tenant farmers in easy circumstances, &c.

(5) Non-land-owning classes—those who may wish to enter into agricultural pursuits, or who may wish to qualify themselves for posts of managers and superintendents on large estates, or again to go into the Revenue or Survey Departments of the Public service, &c.

The following tables are appended as showing the status and position of our landed classes:—

TABLE A.

Tenure.	No. of estates.	No. of villages.	No. of holders and share-holders.	Gross acreage in acres.
Rayatvari	12,92,126	21,245	12,92,126	29,770,078
Inams and Jahagirs.	2,220	2,220	10,386	4,724,259
Talukdari	530	530	493	1,419,502
Mehewasi	62	62	93	120,402
Udhad Jamabandi ...	504	504	6,052	841,752
Khoti	1,677	1,677	48,736	2,173,350
Izafat	7	7	13	3,609

TABLE B.

Holdings.	Government.	Inam.	Total No.
Under and up to 5 acres ...	279,677	88,758	368,435
5 to 25 acres	494,602	86,942	581,544
25 to 100 ,, ...	268,966	32,778	301,754
100 to 500 ,, ...	30,904	5,386	36,300
And over 500 acres	1,449	622	2,071

On the question of machinery, Dr. Voelcker is strongly "in favour of attaching institutions for agricultural education to existing educational institutions in preference to isolating them," and Dr. Cooke thinks "that this is the best and most economical method of securing to students the benefits of general as well as special education, as well as continuity in the system of instruction." And indeed, the Simla Conference, agreeing with these distinguished professors, deprecates the creation of special colleges and schools of agriculture. With all due deference, we venture entirely to dissent from this view and hold with the Madras Government that separate special institutions are absolutely necessary for specialized instruction, and that any attempt to graft on the general educational scheme such instruction, particularly in its higher branches, is doomed to failure and disappointment, there being always present the risk of the special studies being shadowed over and relegated to a secondary position in the general system. European experience supports this contention and both the Madras and Bengal schemes contemplate an elaborate special machinery for the purpose. Accordingly, we would also venture to recommend a similar special teaching agency for this Presidency. We would have—

(*a*) *Central Agricultural Institute* to be located in Poona, as distinct and separate from the College of Science, organized on the plan of the celebrated Paris Institut Agronomique or the Berlin High School of Agriculture, well equipped and under a European (French or German) Specialist as Principal,

assisted by a strong staff of qualified lecturers. The existing agricultural classes of the Poona College of Science to be transferred to the proposed Institute; the three years' course as at present arranged, leading up to the final test for the University Diploma, to be widened by the inclusion of (among other subjects) *comparative agriculture*, *agricultural technology*, *administrative law* and *land legislation*; the Institute to have a museum and a laboratory and an experimental farm as part of its necessary equipment and finally the admission test to be sufficiently high to ensure an adequate basis of general culture. (We would not go below the U. S. F. or the Matriculation Standard and would have by preference P. E. as the lowest test). The Institute would impart the highest type of instruction in scientific agriculture and would be mainly for sons of the large-landed proprietors and science graduates and undergraduates of the University wishing to qualify themselves for higher appointments in the Revenue and Survey Departments and the Department of Agriculture.

(*b*) Next, we would have five *Divisional Schools of Agriculture* corresponding to the "regional" schools of France or the Agricultural Institutes of Prussia on the plan of "representative" district farm schools contemplated in the Madras scheme, but of a superior type. Our districts naturally fall into five groups, each with a distinctive and well-defined set of climatic and cultural conditions, *viz.*, Sindh, Gujerat, Konkan, Deccan, and Carnatic; and we would propose that each of these divisions should have a superior school of agriculture located in a representative district. These divisional schools should be under competent native agricultural graduates as Head Masters, to be assisted each by a staff of 4 to 5 special lecturers. The entrance test to be the 2nd grade P. S. certificate as the minimum; the curriculum to be a sufficiently broad one, corresponding to the 1st and 2nd year courses of the Central Institute, and to comprise, besides the usual professional subjects, *comparative agriculture* and *land tenures*; the instruction imparted to be thoroughly practical and to have a special relation to the agricultural conditions and wants of the Divisions in which the schools are located, and excursions for observation and study to form an integral part of the course; each school to have a *model, not an experimental, farm* intended for experimental illustration, exhibiting results of practices and processes shown by experiment to be advantageous, and the farm to be a model of successful cultivation to the whole Division. These schools are intended for sons

of the large-landed proprietors who might return to their ancestral estates and carry out agricultural improvements, as well as for other young men desiring to qualify themselves for posts in the Agricultural, Revenue or Survey Departments, or as managers of estates; and they will be either as feeders to the Central Institute or independent agricultural institutions, giving certificates of efficiency to their successful pupils at the termination of the course. We would also suggest that these divisional schools should have each a *normal class*, on the model of the one we have at Nagpur, to be composed of Vernacular teachers, say one from each Taluka, who, after they get certificates, might return to their schools and would form a valuable agency for the introduction of agricultural instruction into the village schools.

(*c*) We would further have *agricultural classes* in all the High Schools of the Presidency—8 already existing. These classes to continue, as at present, teaching pupils for the U. S. F. course and also for the Central Institute and the Divisional schools. These classes further to have each a model farm, where "apprentices," sons of poor farmers and labourers, might also be admitted for agricultural instructions; these apprentices to be stipendiary students (as till lately at Sholapore) and bound to work on the farms. The course of instruction for these apprentices to be as simple, elementary and practical as possible; the farms to be models of good and careful cultivation to the whole neighbourhood. The farm-schools so arranged under High School agricultural teachers, would correspond to the Departmental farm-schools of France, and be our District schools, such as are proposed for the districts in the Madras Presidency.

(*d*) We would at once introduce elementary instruction in agriculture into our village schools, an agricultural primer such as is taught in Bengal or the Central Provinces being read as a compulsory text-book. This would form a solid groundwork for the upper specialized courses.

(*e*) Finally, we would earnestly recommend, as part of this teaching machinery, the appointment of *travelling agricultural lecturers*, corresponding to the Departmental professors of agriculture in France or the *wander-lehrer* of Germany, whose duty it would be to travel about the districts and deliver lectures to the assemblies of adult cultivators convened specially for the purpose in their own villages and

under their own village headmen; elucidate to them in the most simple way and in their own homely idiom the more important principles of practical agriculture with direct reference to the features and conditions of the local farming; and suggest improvements in practices and processes and implements shown by experiment or found by experience advantageous elsewhere. These travelling lecturers should be certificated men of the Central Institute, who have gone through a systematic course of training and selected for their special practical knowledge, and should work under the immediate professional direction and control of the Director of Agriculture. They would also serve as advisers in agricultural matters to the district officers. Two for each "agricultural" division or ten in all would be enough for a practical beginning; the salaries should be sufficiently high, say, ranging from Rs. 150 to Rs. 200, to attract competent men for the posts. Altogether to our thinking, these travelling lecturers would fulfil a most useful and important function in the general scheme of agricultural education. They would form an admirable and effective agency—perhaps the only one that could be devised in our present condition of primary education—through which to reach the cultivating classes in the villages, disseminate among them sounder notions of practical agriculture and awakening their intelligent interest, enlist their active co-operation in the cause of agricultural improvement.

Such, briefly, is the machinery, and such are the institutions, we would recommend for the agricultural education of our rural classes. These institutions are:—

(1) A *Central Agricultural Institute* to be located in Poona under a European Principal.

(2) *Five Divisional Schools of Agriculture* for the five agricultural divisions of the Presidency, each to be located in a representative district and with a Normal class for the training of Taluka Vernacular teachers.

(3) *District High School classes and farm schools for apprentices* in all the district of the Presidency.

(4) *Elementary agricultural instruction* in the primary schools; and

(5) *Ten travelling agricultural lecturers*—2 for each Division.

With the exception of the principal of the Central Institute and a few specialist professors who would have to be brought out from Europe, the requisite supply of teaching power for the proposed institutions could be easily obtained from the Poona, Baroda or Saidapet College, or the Nagpur Agricultural Class. There would be surely no lack of competent men for the work if sufficient attractions were held out. As for text-books, there would be some difficulty, and suitable hand-books would have to be specially prepared in the Translation Branch of the Educational Department for the purpose as they are required.

As to the question of *management and control*. All the institutions we have proposed should, we think, be under the administrative control of the Director of Public Instruction, as constituting an integral part of the general machinery of State education. In all professional matters relating to studies, lectures, text-books, tests, &c. we would have the Department of Agriculture exercise a directive supervision over them. At the local centres, besides, it would, in our opinion, be desirable to have small Boards composed of Revenue officials and non-official representative farmers, constituted and associated with the management of these institutions. The travelling agricultural lecturers would, of course, work as stated before under the immediate orders of the Director of Agriculture as do the Departmental professors in France under the Minister of Agriculture.

Lastly we come to the *vexata quæstio* of funds. The total charge of the machinery proposed would be, as far as we are at present able to estimate, about Rs. 1,00,000 at the most and on a liberal scale, or about $\frac{1}{3}$ per cent on the total land revenue collections of the Presidency (Rs. 3,60,00,000) distributed as below :—

	Cost per Annum. Rs.
The Central Institute	26,400
Per mensem The Principal ... Rs. 1,000 The Staff ... ... ,, 1,000 Other expenses... ,, 200	
The 5 Divisional schools of agriculture costing Rs. 500 each per mensem ...	30,000
The 23 Districts schools and classes costing Rs. 100 each per mensem	27,600

The travelling lecturers, Rs. 125, including pay and travelling allowance, each.	15,000
Scholarships, prizes, &c.	2,000
Total Rs...	1,01,000

The National Institut Agronomique, Paris, alone receives from the Central Government in France an annual grant of Fr. 251,450 (=£10,058 or over a lakh and a half). The small kingdom of Denmark devotes about £11,000 (=Rs. 1,76,000) to the support of agricultural education. The additional expenditure, therefore, of a lakh of rupees or so per annum proposed for Bombay, with her vast agricultural interests, in support of agricultural education, may not be deemed too large or extravagant.

How is the new charge to be met? On this point we have two distinct suggestions to offer—

The total Provincial contribution to Local Funds by way of compensation for the loss sustained in consequence of the abolition of the one-anna-cess on Abkari revenue is, as at present fixed, Rs. 1,55,068. The *excise revenue* of the Presidency comes up now to over 104 lakhs net, on which the one-anna-cess would amount to about Rs. 650,000, *i. e.*, nearly four times the present grant. In fairness and equity we submit that the grant should at least be doubled, and our suggestion is that the increase thus accruing to local resources might be utilised partly in aid of primary education and partly for the provision of agricultural instruction.

Secondly, we would venture to suggest that the time is now come for considering whether the Local Boards might not be authorised, by amendment of the existing statutes, to spend half of the local cess proceeds instead of $\frac{1}{3}$rd, as at present, on the extension of primary education for the masses. Roads and bridges, dharmasalas and kacheris are, no doubt, most desirable things in themselves, but we have spent on these works of public convenience and utility very large amounts during past years, and it behoves us now to consider whether part of this expenditure might not be advantageously diverted to the extension of educational facilities for the people. General and technical education—it cannot be two often repeated—is essential to the well-being of the masses, even more so than

the facilities of communication, and there is force and justice in the demand that every effort should be made to raise the poorer classes of the country "intellectually to the moderate level insisted on in regard to the humblest inhabitant of every civilised country".

Should these two suggestions meet with favourable consideration, the financial difficulty can be easily got over and the scheme of agricultural education, as above outlined, might be launched out at once.

As for young men for agricultural institutions; no doubt much difficulty would be experienced at the start in attracting students to the new courses. The field is a new and untried field, and special inducements would have to be offered, at least at the initial stages. The machinery of scholarships, rewards, and prizes would have to be employed, and we would also suggest, by way of special encouragement and in order that the scheme might receive a fair trial, that two or three high class appointments (worth, say, Rs. 150 to Rs. 200) in the Revenue, Survey or Education Department, might be guaranteed to the successful students of the Central Institute and two or three more in the subordinate branches of the Public service set apart for the certificated men of the Divisional schools of agriculture. In the faculty of Civil Engineering, Government has given special encouragement to graduates of the University by the guarantee of certain appointments in the Public Works Department; and we know what a powerful attraction these guaranteed places have been to students of superior calibre and attainments. A similar privilege, if conceded to diplomaed men of the agricultural institute and certificated men of the agricultural schools, would assure their future in a way in which nothing else could. In course of time, as knowledge and enlightenment spread among the masses and the value of professional training comes to be seen, a fine field would open out before the trained men of these institutes. We have in our Presidency no fewer than 65,801 superior landholders—including Inamdars, Khots, Talukdars—besides many capitalist farmers, and there are close on 40,000 superior holdings, 36,300 averaging 100 to 500 acres, and 2,000 of over 500 acres in extent. And as agricultural education is more and more appreciated as a help to agricultural improvements, these trained men of the agricultural schools would be in great demand, and several would employ their professional knowledge for the improvement of

their own properties and holdings. But this is a work of time and in the meanwhile extraneous and artificial aids, inducements would be necessary to put the system into fair working order.

Such is our scheme, which we think might also be found suitable for the other Provinces of India. It is, no doubt, a large and comprehensive scheme, but we are convinced that no limited or restricted plans would meet the requirements of the case. The pressure of the economic position is severe—increasingly so,—and it does not seem to us to be in any view desirable that energy and funds should be frittered away on half measures and make-shift arrangements, which could yield no solid or lasting advantage. Let us make the effort, if an effort is to be made at all, on an adequate scale. The situation demands it, and considerations of future economic safety give emphasis to the demand.

The expenditure required would be a rather large addition to the Educational Budget of the Presidency. But looking to the magnitude of the interest at stake,—looking to the fact that now even the food-supply of the people is imperilled and famines with starvation and suffering and an industrial paralysis in their train are threatening to be chronic in the land—the cost of the measures intended to bring some help and relief ought not to be deemed prohibitive. It should be cheerfully met and borne, whatever it may come to, if only for the sake of the future, even if necessary by resort to special taxation. There is also the Famine Insurance Fund, on which we might reasonably make a demand for this purpose.

The scheme is put forward in the confident hope that if properly given effect to it would be a lasting blessing to the country. Of course, we do not expect impossibilities; we are well aware that other measures of an equally comprehensive character, including a permanent limitation and settlement of the State demand upon the land, so as to bring into effective play the magic sense of property which "turns sand into gold," are required to restore the agricultural industry and life of the country to its healthy and normal tone. But education and the diffusion of technical scientific knowledge among the masses would have their effect, and would exercise a most salutary—re-vivifying and re-invigorating—influence on the entire economic life of the people. The Indian ryot with all his faults and shortcomings—and they are not few—is not the blind, obstinately conservative industrial worker he is painted to be. He is

shrewd, keen-sighted and intelligent, always open to reason and argument, and ever ready to welcome light and new ideas, from whatever quarter they might come. He works in his old ways and sticks so lovingly and passionately to his own traditional methods, for he is yet untaught to understand and appreciate other and better ones. Let him be, for once, brought under the liberalising influences of education and knowledge, and no industrial worker could surpass him in boldness of initiative or vigour of enterprise. Education, wherever it has been tried, has proved one of the most effective helps to moral, intellectual and industrial upheaval and progress, and we submit there is nothing in the conditions of this country or in the national character and habits of its people to forbid the hope and anticipation that it would serve a similar end in India and work an analogous revolution.

The scheme of agricultural education sketched out in the foregoing pages is submitted with great diffidence and as a tentative scheme, and whatever may be thought of its merits as a practical working plan, we feel sure that the educational problem, as regards the rural classes of the country, will receive the most careful consideration at the hands of the Conference; and we would content ourselves with observing that while the life-blood of the country is slowly ebbing away—the penalty of ignorance and mental degradation—the question of effective relief and cure with the aid of knowledge, Heaven's Light, may no longer be put aside. Our duty in this matter is a most solemn and sacred duty, and let us do it bravely, resolutely and cheerfully, come what might, and

"Learn.....even in the darkest hour,
To trust the Almighty's care;
His eye beholds, his hand protects—
Oh, who would then despair!"

THE EXISTING POSITION OF PRIMARY SCHOOLS.*

A survey of the existing position of our Primary Schools—considered in relation to the general scheme of education on the one hand, and on the other, with reference to the expanding requirements of the Presidency—suggests a question of vital importance to the future of educational progress on this side of India. Much—very much—has been done in recent years to extend, develop, and improve this class of schools, and no one who has seen them as they were and are, can fail to mark the contrast and measure the advance achieved. All the Presidency over, these schools are now better housed, better equipped, and better supplied with trained teaching power; they teach better standards and read better text-books. And indeed, there is no feature of our recent educational administration more striking and encouraging than the large improvement which has been effected in the general efficiency of these schools. But with all this improvement, it is only too clear that their position in the general plan still continues weak and defective and that their working, whether regarded from the point of view of present or future requirements, cannot be held to be altogether satisfactory. The weak points appear to be mainly these :—

1stly. The number of these schools, with all the increase it has of late years received, is still most inadequate for our needs, and restricts their usefulness and operative range within comparatively narrow limits. Scarcely ⅓rd of the population is yet reached.

2ndly. Even within this restricted sphere under the existing organization—which develops no real side in the upper primary stage corresponding to the literary course of the 5th and 6th standards—9-10 ths of these primary schools which do not send up their pupils—and they are full 86 p. c. of the total number—to the upper literary courses, are placed in an anomalous position, and standing apart with no direct links to join them on to the higher special institutions, work on a lower plane and fail to carry down to the masses and the general industrial life of the Province, the light and leaven of new ideas.

* This paper was read before the Poona Educational Conference on 30th September 1896.

3rdly. Even under their anomalous conditions, and considered as imparting only initial elementary instruction, the practical working of these schools from the broader stand-point of national culture is not every way as it should be partly owing to the defective curriculum taught (Stds. I-IV) and partly owing to the faulty methods pursued.

These three features mark out the existing position of these schools as one of great weakness, and mar their usefulness. It is the object of this paper to submit for the consideration of the Conference whether the time is not come for a new departure and a strenuous effort to remedy these defects and put the whole system of primary education in the Presidency on a sounder basis. I would begin with a brief review of the facts.

1. The utter inadequacy of the existing provision for Primary Education is the first weak point of the system. The small number of our schools limits the social base on which they work and circumscribes their useful activity within a proportionately narrow compass. Our present school-area barely covers $\frac{1}{4}$th of the geographical area of the Presidency and embraces even less than $\frac{1}{3}$rd of the total population of school-age. Over 18,000 villages with a scattered population of $6\frac{1}{2}$ millions (—4000 of which contain a population of 500—1000) are still unprovided with schools and form, so to speak, with their 5 lakhs of boys a thick outer ring of the social whole lying outside the sphere of our educational effort. Within the school-area itself, scarcely half the population of school-age is yet reached. As a net result, and looking only to the male population, we find that only 5 lakhs out of our total number of 16 lakhs of boys in the Presidency are at school. 11 lakhs—9 lakhs of whom belong to the lower classes or live in the remote rural parts—are yet at this moment, as a direct consequence of the existing insufficiency of schools, growing up in absolute ignorance—what could be sadder than this, and the moral waste of potential talent it involved? A system of Primary Education, which leaves out in the cold more than $\frac{2}{3}$rds of the youths of the Province, cannot but be regarded as essentially defective. Education is what each generation owes to the next, and when we do not arrange even to educate a full third of our children, it is plain how imperfectly we are doing our duty in the matter. Besides an educational organization so restricted in its range can never supply the adequate moral and intellectual motor force for the onward movement, or assure the even progress of national life.

In conceivable circumstances, such a narrow system might even tend to do harm to the higher interests of the country by creating in favour of the few as against the many that most fatal of monopolies—a monopoly of education and knowledge and the irresistible power they give. No disability is harder to bear and more cramping and narrowing in its effects than illiterary and ignorance, and the fact that more than $\frac{2}{3}$rds of our youths are still outside the pale points to one of the weakest features of the existing arrangements.

2. Even within the sphere of action so limited, these primary schools under a defective organization hold an anomalous position and can hardly do their proper work. Strictly speaking they are all primary schools, and represent a stage of instruction antecedent to and preparatory for higher studies. For 1-10th of their pupils (or say 50,000) who choose and can afford to enter upon the long literary course of the high schools leading up to the University, and so too in the case of 4 p. c. more (or about 20,000) whose object is Government employment and who proceed to a further course in Vernacular qualifying for public service—these primary schools really serve as preparatory schools. But for the remaining 80 p. c. (or say 4½ lakhs) who do not go in for either of the advanced literary courses, they serve no such purpose. They train them for no higher study and their education ends in the middle of the primary course with the 4th standard. Practically, for these boys the upper stage of the primary course is yet a blank—no parallel lines of special study exist co-ordinate with the existing literary side. Nor do there exist any Vernacular lower departments in the special instructions of a higher order to receive such pupils through any regular channels of supply. The connecting link either way is wanting, and the result is that none of these boys who do not take up literary courses are able to go to any of the special schools and colleges—the Veterinary College or the Victoria Technical Institute or the College of Science. The *via media* to these special instructions lies at present mainly through the High Schools along the line of a preliminary literary course of wearisome length. Only 50 thousand pupils and no more from our primary schools proceed to the higher courses on that line, and out of these just 300 are to be found in the higher special instructions and about 350 more drawn from no regular source are learning in their lower vernacular departments. The rest and they the 86 per cent of the total roll of our primary schools (4½ lakhs) having nothing further to go to, leave off at the IV standard with an utterly

incomplete education. The disseverance between the bulk of these schools and the special instructions is thus complete, there being no real side to link the two. The results are:—

(1) As regards these 4½ lakhs of pupils they go back home having received only elementary general instruction, and absolutely no special training as contemplated in the recommendations of the Education Commission—fitting them for their position in life or of help to them in the daily occupations of their lives. Virtually thus, the masses go without any practical advantage from our educational arrangements.

(2) As for the special instructions themselves, the absence of a real side in the primary schools cuts them off from the proper recruiting ground. The High Schools—as yet their only feeders—send up an uncertain and precarious supply. The Veterinary College, the Victoria Technical Institute and the Agricultural classes of the College of Science have together a roll of 250 boys. The special classes at the School of Art and the Reay Art Workshops and the apprentices class at the College of Science have between them just 360 more receiving training in Vernacular—in all less than 700 the two together! When we have in our primary schools 4 lakhs of pupils, the figures call for no comment. Obviously as long as the special institutions are not (not?) connected with the primary schools by means of intermediate departments of special study, they must continue stinted and start in their supply and can be of but little service to the industrial life of the people.

(3) Our primary schools of course suffer and suffer grievously in popularity and practical usefulness. The work almost is in isolation and does not serve to carry down to the masses the help and benefit of the higher institutions.

(4) Our whole industrial system also suffers. The industrial life of the Province receives but little elevation or improvement—except at the leading centres—and continues to move on in the old channels and there is yet little in our system to let in the stream of European science and scientific training issuing from the higher institutions and flowing down through the primary schools into the parched and exhausted fields of our industry to replenish and fertilise them.

All this is due to the existing hiatus between the primary schools and the higher special institutions, and this want of a real side in our upper primary stage is the second weak point

of their existing position to which I would invite your attention. No such disseverance exists between the primary and special schools in any of the countries of the continent. In France, Germany, Italy and elsewhere the elementary public schools, after a certain course of general education is reached, develope in the upper stage a classical and real side, and through the real side carry the mass of their pupils to the Technical Schools and Colleges.

3. There is yet a third feature which adversely affects the position and working of our schools. Both the scheme of study they teach upto standard IV and their methods leave much to be desired. To take the methods first.

The teaching for the most part is more mechanical than formative, and little is done to train the minds of the children or awaken their observation and intelligent interests in the facts and phenomena around them: the symbols are taught rather than the things symbolized. The Ujalani as taught is worse than a waste of time, though the children are trained into a certain mechanical habit of accuracy and promptness of calculation, it is at the expense of higher purposes of early studies.

The faulty character of the teaching is however due partly to insufficiency of trained teachers and teaching appliances and partly also to a faulty graduation of the course. In arranging the studies the natural process—"which is from the known to the unknown, from the particular and the concrete to the general and the abstract, from the empirical to the scientific"—seems at many points reversed. The arithmetic of the lower standards and the Ujalani with its dreadful array of integral and fractional multiplication tables rather put the abstract before the concrete. So too Native and English tables of weight and measure of every kind and mental arithmetic based on them hardly fit into the courses where they are and might well be postponed to the higher standards.

While on this point, I would draw attention to what are called the infant classes in our primary schools. The minimum age for admission is under the revised code 4 years as in England and large numbers of little children from 4 to 6 years of age—fit only to be taught in the kindergarten way—come to our schools where, however, we have no provision whatever for such kindergarten instruction. The infant learners are subjected to a kind of training and discipline which tells upon their

health and proves worse for their growing minds. The hours of attendance are the same for them as for the other boys and for most of the time they are at school shut up in their class-room, they do little more than mechanically copy the alphabet or the abstract numbers they cannot grasp. They stay in their classes one or two years; it is a matter of observation that during the stay the hard discipline exercises visibly weakening effect on them, they lose their freshness of look and their buoyancy, restless energy, susceptibility to new impressions—all suffer. The ignorant parents hand over gladly their children to the care of the school-master, who, however, does not yet know how to look after his tender charge. In Switzerland and other countries the age of admission to the primary schools is 6. In Norway, Denmark, and New-Zealand is 7. From 4, 6 or 7 the children attend the kindergarten schools. With us too some time ago the age limit was six and opinion is gaining ground that the sooner we revert to the old limit and close the infant classes, the better for the children and the schools. At all events their hours of school attendance should not be more than two hours a day and this instruction mainly by object lessons.

To turn next to the course of study comprised in standards I-IV—it has a strong and a weak point. It is a strong feature of our Bombay system that it constitutes the first 4 standards as the initial stage of general education as designed for all, and permits no specialisation of studies so far, the object being to secure for all classes alike sufficiently high level of general culture to fit them equally for the duties of a common citizenship. The right training of the mind—the disciplining of its opening powers—the formation of character combined with the requisite amount of general knowledge and information, this is what is aimed at in this early course of instruction and it is no part of the scheme to supply any special training. From this point of view any attempt to lower this uniform standard of general elementary instruction demanded alike from all or to infuse to it special studies at the expense of the more necessary general subjects, ought to be closely watched and resisted. Our Modi standards, which are but a simplified copy of the Balbodha with grammar and Balbodha reading from standards II upwards dropped, are open to objection on the ground that they needlessly narrow the scope of the general instruction as intended for the rural classes, and whatever the popularity of the course as a concession to the uniformed opinion of rural society, it is calculated to place these people in the rural parts at a disadvantage in the race of life. The view which seeks to differen-

tiate the requirements of the rural classes in respect of such elementary instruction for civic duty from those of the urban, and which has its root in the old sentiment of aristocratic or caste ascendency, has little title to sympathy, and the practical effect of such differentiation in respect of general education could only be to widen the gulf and aggravate the inequalities between class and class already so deplorable amongst us. I find, it is further suggested that the agriculture should be introduced into this lower primary course dropping one or more of the existing subjects. All such attempts, however, to reduce the present range, being calculated to leave the free citizen's education inadequate, are to be deprecated. The principle of utility in education ought not to be carried too far and it is now an accepted view in continental countries that even from the point of view of technical training, there is no better preparation than a strong basis of general education. In Prussia even in the technical schools general education is invariably continued along-side technical upto a very high standard, and it would be a retrograde step to introduce practical subjects such as agriculture into our course at a lower stage than the IV standard. Our Bombay scheme at present proceeds on approved lines and its only defect seems to be that it is not sufficiently comprehensive and besides is here and there a detail overloaded. This brings us to its weak points :—

No *drawing* is here taught that which is of such recognised value as a general study, and no manual training, another subject held in France and America to be as necessary as reading and writing. Further there is here no introduction to natural science and to its broad truths. While defective in such important particulars, the course is overloaded with Ujalani and English and Native tables of weight and measure of every kind. Thus viewed as a whole, our scheme of the lower primary stage falls short of the standard aimed at in the countries of the West. In Prussia and Austria-Hungary drawing and science are added to the rudiments, in France and Belgium manual training is also taught. Our children thus learn but little at school to train their eye or hand or even to open out their minds to the broad teachings of natural phenomena. It is doubtful whether one in ten of these poor lads has any conception of what science is or teaches.

With a scheme of studies so narrow and methods defective, it is no wonder that these primary schools, in their practical

working do not properly fulfil the one function they are intended to do, *viz.* to impart to all elementary general instruction of a broad type.

To sum up the weak points of their existing position thus appear to be these :—

(1) These schools being so few in number as to reach but $\frac{1}{3}$rd of the population have their range of operative effect much restricted and usefulness reduced in proportion.

(2) So defective, further, is the existing organisation that these schools for the most part stand as it were isolated in the general system, carrying the bulk of their pupils no further than the IV standard of the primary stage and training them for no special study and being without any special departments of technical study ; organised in the upper stage to link them on by direct connection to the higher special institutions, they fail to be of any service in carrying down to the masses the new science and its lights from those higher institutions. Our present courses above the lower primary being more or less exclusively literary do not benefit the bulk of our pupils who have neither the means nor the patience to proceed on the wearisome journey.

(3) Even taking these schools as they are, teaching mostly the first 4 standards, their working can hardly be held to be satisfactory, the course being narrow and the methods faulty.

If the foregoing is not an inaccurate statement of the facts, it suggests the directions in which change and improvement seem called for. Briefly our requirements are :—

(1) The widest possible extension of primary education.

(2) Creation of a real side in the upper standards of primary stage parallel to the existing literary.

(3) A reform of the curriculum of the lower primary stage.

As regards increase of schools, we have here much ground yet to cover over 18,000 villages yet without schools and $\frac{2}{3}$ of the population unreached. The widest possible diffusion of primary education, however, is one of our first requirements as elsewhere—one of the first precedent conditions without which well-

ordered even progress is hardly possible. It is further the only means by which the masses could be enfranchised from the degradation of ages and their condition raised and improved. But happily on this point there are no two opinions and here as in other Provinces the most strenuous efforts are being devoted to the development of this branch of public instruction. The question of extension is partly one of school managements and partly and largely one of funds. Within the existing school area it is both the one and the other, not even half the children yet attended, and in the rural parts it is worth while considering, whether shorter hours of school attendance, half-day sessions, longer vacations etc. might not be more suitable. It would also be well here to bear in mind the Prussian view "as is your teacher, so is your school", and improve the qualifications of these village school masters. Free education is yet no part of the popular demand, but the claims of the poor and lower classes in the matter of freeships and stipends are entitled to every consideration. Some such changes, it may be trusted, would largely improve the attendance of our schools. As to the opening of new schools the question is entirely one of funds. In every division of the Presidency large extensions are only stopped for want of money.

Taking the Presidency as administratively divided into Municipal and Local Board areas, we find that while the Municipal area with its population of slightly over 3 millions has 2,320 schools including aided and indigenous with about 1½ lakhs of pupils on the rolls, the Local Board area with its population of close on 16 millions has only 6,500 schools with a roll of 3 lakhs of scholars (just equal to twice the Municipal number for more than five times the population). The disparity in regard to educational provision between the urban and rural parts is thus marked, and yet while in the former further extensions are almost assured, in the latter there is no such assurance and chances of future expansion are disappointingly poor. In the Municipal area the law imposes upon the Municipal Boards the duty of making adequate provision for primary education within their limits, and the revenues they manage are elastic and susceptible of increase and are further supplemented by Government grants on the half local assets principle. Besides, Government aids private schools in the Municipal towns out of its own revenues. Here also every agency that is available for educational extension finds scope for work and prospers. Thus in the Municipal area, the position as regards future requirements is pretty strong.

But not so with the Local Board area where the existing provision is most inadequate. There is little prospect under present conditions of any large extensions ; during five years from 1889–90 there was actually a fall-off in the number of Local Board schools to the extent of as many as 123. The Local Boards are simply administrative bodies with no taxing powers and the income they administer is mostly an inelastic income. Government fixes its subsidy-in-aid on the same principle as it does in the case of the Municipalities, the well-known half the local assets principle. The consequence is the Local Board income is almost a fixed quantity made up of a fixed Local Fund under Government grant equal to half of it and cannot possibly meet the growing needs in this regard of these rural parts. Further, Government leaves these Local Boards to aid indigenous schools as far as they can out of their own revenue and does not aid them itself as in the Municipal area. The task of making due provision in this respect thus almost exclusively devolves on the Local Boards which, however, with inelastic funds at their disposal are not in a position to meet the growing demand. Unaided schools have but little chance in these rural parts, and even when aided, it is only the exceptionally strong schools that prosper and that too in the large villages. As long then as the present financial conditions continue which place at the disposal of the Local Boards an inelastic fund and do not render available for the purpose any definite proportion of Provincial revenues, irrespective of local assets, the outlook is anything but hopeful. The existing arrangement seems scarcely fair to the rural parts. The ½ local assets principle, as determining the Government subsidy, works fairly enough in the Municipal area where the local assets are an elastic and expanding resource, but in respect of Local Board areas where the local assets are almost a fixed item only slowly growing with land Revenue, the application of the principle limits the funds and with it the power of the Local Boards to make any adequate provision in this respect. Year after year applications from the villages for new schools have to be refused for want of funds—than which nothing could be more discouraging. If educational expansion in these rural Districts is to keep pace with the growing needs and the growing demand, it is only possible, provided Government gives its subsidy not in relation to the local cess income but with reference to the peoples' requirements.

But 2ndly, even an extended provision for primary education, a mere increase of schools without a fuller and better organisation of their departments and studies will not meet our

necessities. As at present these schools, with no upper stage of real study yet developed corresponding to the existing literary, not only do not carry the mass of their pupils any further than the IV standard and leave their training altogether incomplete, but as a consequence, lying detached from the higher special institutions which too have no vernacular department as a connecting link, fail to serve as the broad medium through which the higher science and its lights could pass down to the masses to vivify and elevate the general industrial life of the Province. Experience makes it too plain that the literary courses, above standard IV, we at present provide in the upper stages of the primary schools on the one side and in the High Schools on the other, in the latter case with specialisations of study in the distant prospect, have no attraction for and do not benefit the bulk of our pupils who are thus forced to leave off having received no practical training to aid them in their future avocations. This is not as it should be and a change here seems urgently called for.

The programme of a complete primary education has been authoritatively laid down in the recommendations of the Education Commission. It is to be "the instruction of the masses through the vernacular in such subjects as will best fit them for their position in life" and is not to be "necessarily" regarded as a portion of instruction leading up to the University. The standards of primary education should comprise besides the necessary studies "practical subjects such as native methods of arithmetic, accounts, mensuration, the elements of natural and physical science and their application to agriculture, health and the industrial arts." Instruction in the necessary rudiments is to be uniformed for all, but further course of training suited to the different wants of the different classes is to be provided in the higher stages of the primary course—literary for those who desire to proceed to the University, and practical and special for the rest who do not or cannot go in for the literary.

The question as to where the course should bifurcate is an open question and much debated. With us the Bombay system fixes the limit of necessary elementary instruction as designed for all at the IV standard, below which no specialisation of studies is admissible or even desirable.

The IV standard being thus our limit, we have, if we decide so to do, to develop our real side above that line *i. e.* in the upper standards of the primary stage. And here the wants of the different classes have to be considered. If in the larger

towns we want a technical or a commercial branch, in the villages a course of instruction in agricultural or small handicrafts would best suit the local needs. It seems desirable at the start to organise in the upper stage a real course—if optional with and parallel to the existing literary—divided into three sections—*Agricultural*, *Industrial and Commercial* arranged on co-ordinate lines and optional intended for those who do not go to the High Schools. The course of instruction should comprise :—

(*a*) Agricultural Section—(1) Practical Agriculture, (2) Elements of Botany and (3) Veterinary Science.

(*b*) Industrial Section—(1) Model and Ornamental drawing, (2) Mechanical Engineering, (3) Applied Physics, (4) Workshop instruction in small crafts such as wood-carving.

(*c*) Commercial Section—(1) Book-keeping, (2) Knowledge of goods, (3) Elements of Political Economy, (4) Commercial Geography and (5) Correspondence.

This alternative course of real studies in the upper primary stage might be of two or three years, planned out in easy stages. The hours of school attendance also would require to be so arranged as least to interfere with the usual hours of labour, to meet the convenience of the poor classes. Some such development of new studies would immensely benefit the poorer scholars and increase the practical usefulness of the bulk of our primary schools. No beginning, however, could be made in any such direction without a supply of trained teachers, and the first necessary practical step required would be to introduce the new studies as far as practicable in the curriculum of the normal colleges or to form such classes in the special colleges.

But these are more or less matters of detail and the main question for consideration is :—whether looking (1) to the com-

parative failure of our present system of literary instruction which leaves the bulk of our pupils without an adequate training for the business of life, (2) to the economic wants of the people in respect of technical education and (3) to the conditions of future development and expansions of the higher special institutions,—whether looking to all these the time is not come for arranging in our primary schools a real side in the upper stage corresponding to the existing course of the V and VI standards. And in this connection it may be submitted that in no other way could full effect be given to the recommendations of the Education Commission on the point, nor could the position of the primary schools be really improved and their usefulness enlarged.

None of these suggestions, however, could be carried out without a large increase of funds devoted to education, but on this financial question I would only venture to observe that if we only succeed in making out our case and bringing home to the mind and conscience of Government and the people the necessity for such expansion of the system, we may rest assured that our appeal for funds would not fail to receive a sympathetic response and that the requisite funds would be forthcoming for the purpose.

Lastly, as regards a reform of the curriculum of the first four standards, the time seems to have come for an effort to assimilate it to the curriculum of the primary schools in European countries. There is no longer any reason why we should be content with a lower standard of general culture, and considerations as to the future requirements of progress under British rule point to the necessity of having it as high. The additions required to improve the existing course and give it the requisite breadth are *drawing*, *manual training*, *introduction to natural science* (as in Huxley's series) together with largely extended realistic or object lesson teaching. The *Ujalani* might be conveniently much reduced and the arithmetic of the standards redistributed, and I would take this opportunity of stating that this view is very strongly held by Mr. L. G. Desh-

mukh, the Collector of Sholapur, who takes a very warm interest in educational matters.

Thus improved and broadened, the course of instruction (standards I to IV) would well serve our purpose, whether considered as a uniform standard of general education for all or as a preparatory course for higher studies.

A large increase in the number of schools, the creation of a varied department of special study in the upper stage of the primary course to fill up the existing blank, and a reform of the initial course of instruction—with these enlargements and changes, the position of our primary schools would be immensely improved and strengthened, and it may be confidently hoped that when so improved and strengthened, they would supply a broader and stronger foundation than at present for our system of higher instruction and its fuller and free development along the rich and varied lines of classical and real study.

BOMBAY MUNICIPALITIES.*

The Elective Principle.

At the recent Budget Meeting of the Legislative Council in Poona, His Excellency the Governor in his opening speech made a most welcome announcement as to the contemplated extension of local self-government in the Presidency. "My colleagues and I," said His Excellency, "think that the time has come to strengthen the elective element in the District Municipalities of the Presidency and to free them in great measure from official control. I will not now go into details; but the main changes which we intend to carry out are the following:—

"1. As a rule the elective members of District Municipalities will number not less than two-thirds of the whole. Exceptions will be made in the case of the smaller and more backward Municipalities; but this rule will apply to all city municipalities and to the larger town municipalities.

"2. The privilege of electing a President will be conferred on municipalities which are not excepted for special reasons, but we consider that the election should be approved by two-thirds of the members. Failing this the appointment should be made by the Governor-in-Council, who will take the wishes of the municipality into full account."

The proposed extension of local self-government is thus continued to the municipal franchises and leaves out of its scope the entire range of our existing Local Board administration—which stands no less in need of similar re-casting. The change contemplated in regard to the enlargement of municipal freedom is in two distinct directions—(1) increase in the number of elected members, and (2) the bestowal on all the larger municipalities in the Presidency of the right to elect their own Presidents.

Both these are large and important changes and mark a most gratifying advance on the existing arrangements—an advance for which our most grateful acknowledgments are due to the distinguished statesman at present presiding over the Local Administration and his advisers.

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* This letter was published over the signature 'J.' in the *Times of India*, dated 10th July 1908.

As regards the election of the chairman, the contemplated change constitutes liberal concession to the aspirations of the people in reference to the progressive development of Municipal institutions. The proposed arrangement will be in accordance with the views of the Government of India as enunciated in their well-known Resolution of May 18, 1882—a Resolution which laid the foundation of our existing system of Local Self-government throughout the country—and judging from the experience of other Provinces where it exists, will have by no means inconsiderable improving effect on the general tone of our Municipal Administration. Official guidance was desirable and perhaps indispensable at the start and in the first stages of a new growth. But such necessity admittedly no longer exists; and the decision of the authorities to withdraw it and allow the Municipal Committees to choose their own chairmen is one from which there will be little or no dissent. In the United Provinces of Agra and Oudh the Municipal Boards have already this valued privilege.

Equally generous, too, is the concession promised in regard to the expansion of the elective element in the constitution of the Municipal Committees. "As a rule," said His Excellency, the "elective members of District Municipalities will number not less than two-thirds of the whole." This is a "minimum" limit, and it may be hoped that the increase of elected members will be allowed in much larger proportions. In most other Provinces, we have already such an enlargement of the elective element—and according to official testimony, with encouraging results.

In the United Provinces of Agra and Oudh the Municipal Boards consist of members elected by the rate-payers or appointed by Government, the number of the latter, under the Municipalities Act, Sec. 6, not exceeding one-fourth of the total membership. The municipalities—excluding notified areas—number 89, in four of which the elective principle is not yet applied. The total number of members is 1,249, of whom 939 are elected or about 75 p. c. They elect their own Presidents except in a few excluded towns. "It is reported," says the writer of the Moral and Material Progress Report 1905–6, p. 9, "that the Municipal Boards as a whole have justified the trust reposed in them, that their administration is guided by an increasing sense of responsibility, and that their services have merited the approval of the Government and of the citizens."

In the Madras Presidency, the mofussil municipalities number 60. The Municipal Councillors are partly elected and partly nominated. The elective principle is not yet extended to a large number of towns. But where it is, Sec. 13 of the Madras District Municipalities Act provides that 'the number of municipal councillors so elected by the tax-payers shall, unless the Governor-in-Council otherwise directs, be three-fourths of the whole number,' 35 of these Municipal Boards enjoying right of electing their own chairman. "On the whole," in the opinion of Government, "the standard of municipal administration showed an advance" in 1905–6. The total membership is 905,—420 being elected.

In the Central Provinces and Berar, the number of municipalities is 58—46 in the Central Provinces and 12 in Berar. In Berar, under the Municipal Law of 1886, elected members must ordinarily constitute three-fourths of each Municipal Committee. The elective principle is extended only to 6 of the 12 municipalities in the Province, the remaining 6 being under nominated committees. In the Central Provinces, the number of elected councillors varies between $\frac{2}{3}$rds and $\frac{3}{4}$ths of the total membership. In several even of the smaller towns—such as Ramtek (pop. 7,584), Saoner (pop. 5,555) and Lalabara (pop. 3,256),—the number of elected councillors exceeds three-fourths of the total. Taking the two Provinces together, the municipal membership is 756,—460 being elected or a shape over 60 per cent.

In Bengal, the Municipal Act of 1884 (as amended in 1894-1896) provides in Sec. 14, that "two-thirds of the number of the Commissioners of each municipality . . . . shall be elected" by the rate-payers. And all these municipalities, with some few exceptions, have the privilege of electing their own chairmen and vice-chairmen. In 1905-6, in the opinion of the Bengal Government, "the public interest in Municipal administration was maintained, if it was not actually on the increase; and the steady and sustained improvement which has taken place in that administration is evidence that the rate-payers do not regard it with indifference."

In the Punjab, there were 138 municipalities in 1905-6 of which 108 had elected members on their Boards, the proportion being generally two elected to one nominated member. The Municipal Committees under the Municipal Act of 1891, Sec. 16, have the privilege of electing their own Presidents and Vice-Presidents subject to the approval of Government.

In Bombay, the District Municipal Act of 1901 lays down in Sec. 10 that "the number of elected councillors shall be not less than one-half of the whole number inclusive of the President." And this is the proportion generally maintained throughout the Mofussil. In no town—however large or populous—with here and there a solitary exception *e. g.* Nadiad in Kaira, and Poona in the Central Division—is it allowed to be exceeded. Even in such municipalities and those of Ahmedabad (pop. 1,81,774), Surat (pop. 1,19,305), Sholapur (pop. 74,521), Hubli (pop. 60,212) and Broach (pop. 42,896), elected councillors form just half the total membership. In 44 of our smaller towns the Municipal Committees are appointed by nomination only.

And yet, it would seem that this Presidency is not only on a level with, but to some extent ahead of, the other Provinces in British India in most of the elements that constitute progressive growth. We have, proportionately to population, a larger number of towns and populous trading centres, a large number of municipalities and a more numerous population within municipal limits than in any other Province; we contribute a larger municipal income per capita, and maintain a large attendance of scholars at school and college. A few figures would be of interest in this connection :—

Province.	Population in Millions (Census 1901).	No. of Towns.	No. of Municipalities.	Popula. within Municipal Limits.	*Municipal Taxation per head 000s. omt'd s. d.	Total number of Scholars at School and College.
Bombay	18·5	202	163	3,139	3 3	736,209
Madras	38·2	234	61	2,424	2 5	276,966
Central Provinces and Berar ...	11·9	102	58	·882	2 0	224,717
Bengal	50·7	142	129	3,202	2 3	1,232,278
United Provinces of Agra and Oudh	47·6	453	89	3,110	2 9	576,336
Punjab	20·3	171	138	2,086	3 2	274,747

*Mofussil Municipalities.

In the contemplated arrangements regarding the expansion of the elective element in the composition of our Municipal Committees, due weight will no doubt be given to all these factors—thus statistically indicated. In the meanwhile it may be allowable to submit the following few suggestions :—

(1) That in Municipal cities and towns with a population of, say, 15,000 souls and over, the number of elected councillors may be allowed to constitute three-fourths of the total membership. The number of such cities and towns in the Presidency, including Sind, is about 37.

(2) That in the other Municipal towns, the proportion of elective representation may be fixed at $\frac{2}{3}$rds of the whole as in Bengal.

(3) That in the 44 Municipal towns—at present under purely nominated committees,—the elective principle may be applied in such varying proportions as may seem fit.

Some such extension of the principle of elective representation in regard to our Municipal Boards would seem desirable, and would be welcomed with satisfaction.

THE BOMBAY LAND ACT OF 1901.*

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[The working of the Land Revenue-Code Amendment Act (VI) of 1901—and the amount of land given out on the new restricted Tenure up to the close of 1905-1906.]

In view of the immense practical importance which attaches to the working of the Land Revenue Code Amendment Act (No. VI) of 1901,—as being a measure of exceptional severity, adopted partly from revenue considerations and partly for the special relief of indebted agriculturists, but mainly to effect the change of a most fundamental and wide-reaching character in the Land-system of the Presidency by the institution of a new scheme of restricted-tenure under which cultivating occupants, while entitled to occupy and till their acres, will, however, have no power to alienate their holdings and will otherwise be free from the responsibilities of a proprietary status—the following statistics bearing on the point from the Land Revenue Administration Report of the Presidency, including Sind for 1905-1906, will be of general interest :—

Districts.	Occupied assessed lands in lakhs of acres.	Area of land held on restricted tenure (Act VI of 1901) at close of 1905-06.		Divisional percentage of such lands granted on restricted tenure to total occupants.
N. Division ...	56·81	2,89,771	Acres.	5·1 p. c.
Ahmedabad ...	18·34	85,097	,,	
Kaira... ...	7·94	66,131	,,	
Panch Mahals.	6·13	94,763	,,	
Broach ...	6·48	15,826	,,	
Surat... ...	7·59	25,385	,,	
Thana ...	10·24	2,569	,,	
C. Division ...	163·81	2,68,461	Acres.	1·6 p. c.
Ahmednagar.	31·96	1,806	,,	
Khandesh ...	34·66	2,29,223	,,	
Nasik... ...	24·37	27,675	,,	
Poona ...	25·39	404	,,	
Satara ...	22·79	404	,,	
Sholapur ...	24·62	9,353	,,	

* This letter appeared over the signature 'J.' in the *Mahratta* of Poona, dated 21st June 1908.

Districts.	Occupied assessed lands in lakhs of acres.	Area of land held on restricted tenure (Act VI of 1901) at close of 1905-06.	Divisional percentage of such lands granted on restricted tenure to total occupants.
S. Division ...	105·87	10,941 Acres.	·01
Belgaum ...	21·42	621 ,,	
Bijapore ...	32·13	6,080 ,,	
Dharwar ...	23·50	1,816 ,,	
Kanara	3·35	2,424 ,,	
Kolaba	7·42	2,424 ,,	
Ratnagiri ...	18·05	2,424 ,,	
Total for the Presidency ...	326·53	5,69,173 Acres.	1·8 p. c. of the total occupied area.
Sind	74·42	8,30,916 Acres.	11·1 p. c. of the total occupied area.
Upper Sind Frontier ...	9·19	Detailed figures for the districts not available.	
Sukkar	7·27		
Larkana ...	10·85		
Hyderabad ...	19·66		
Karachi ...	6·04		
Thar & Parkar	21·38		
Total for the Presidency, including Sind.	400·95	14,00,089 Acres.	3·5 p. c.

Thus, the total amount of land which has been granted under Act VI of 1901 on the new restricted-tenure up to the close of 1905-06 is about 14 lakhs of acres in the Presidency including Sind, on a total of occupied area of 400·9 lakhs of acres or 3·5 p. c. In the Presidency proper, it is 5·69 lakhs of acres out of an aggregate occupied area of 326·5 lakhs of acres or 1·8 p. c. In Sind, the total value of land held on such non-transferable tenure is 8·3 lakhs of acres inclusive of the acres granted on the Jumrao, Nasrat, Dad and Hirat tracts under Act III of 1899 out of a total occupied area of 74·4 lakhs of acres or 11 p. c.

The remarks of the Divisional Commissioners on the working of the act and the new tenure are deserving of attention

and may be thus summarised:—The Commissioner, N. D. observes:—The tenure has made most head-way in the Panch-Mahals and least in Thana district. Good progress has been made in Ahmedabad District according to the figures, but this tenure is said to be unpopular among the Patidars and better classes of cultivators. In Broach, most of the land, hitherto given out, is held by the poor and improvident classes. In Kaira the tenure seems to be popular. In the Panch-Mahals the bulk of land given out is held by the poorest classes and this tenure is not only in favour amongst them, but it does not, it appears, apparently affect agricultural credit. Fair progress has been made in extending the provisions of the tenure in this district and Surat.

The Commissioner, C. D. writes:—Practically, no land has been given out on this tenure in Satara. The tenure does not appear to be very popular any-where except among the poorer cultivators in Khandesh and Nasik.

In the other districts the areas held on this tenure are very small. The Commissioner, S. D. says:—Some headway has been made in the Kanarese Districts. No land has yet been granted on this tenure in Ratnagiri. Large grants have, however, been made in the Kolaba district to Thakurs and Katkaries.

The Commissioner, Sind, remarks:—The area held on the restricted tenure introduced by Act VI of 1901 amounts to 2,64,212 acres—this exclusive of the area granted on the Jumrao, Dad, and Hirat tracts under Act III of 1899. Including that, the area is 8,30,916 acres. The conditions of this tenure are applied to nearly all lands granted to Mahomedans.

THOUGHTS ON THE REVOLUTION IN TURKEY.*

"The old order changeth, yielding place to new."

The general political awakening of Asia is one of the most momentous events for our time, and opens up an era in the history of human progress—fraught with the richest promise. "All Asia," in the words of a distinguished Japanese scholar, "is one—one in thought and feeling—one in aim and purpose; and the Asiatic peoples, with all their diversities of race, colour, and creed, constitute a mighty whole—a single web." On a broad survey we find the new movement of upheaval—the new throbbings of thought and hope—noticeable more or less throughout the length and breadth of the vast continent; and there are unmistakable indications that if the 19th century was emphatically the century of European expansion and advance, the 20th century belongs—in the Providential ordering of human affairs—to the nations of the Orient, who are entering upon a new career of political change and evolution with an earnestness, a vigor and a determination which assures ultimate success. Here in the East as in the West, the days of absolute, despotic, autocratic power are practically numbered. The light is already on the hills, and we have the dawn—the first brightening streaks—of a new era of political emancipation and constitutional liberty. Clearly the East is not the unchangeable—unchanging—East she has been so long taken to be—and is changing, and changing with a rapidity which seems to astonish even the most careful observers. At all events now that there is the new awakening—she is no longer disposed "to let the legions thunder past" and plunge again into gloom—the gloom of dreamy slumber and mystic despondency.

Japan has been the first nation of the Orient to receive the new light and life of Heaven, as well befited the land of the Rising Sun. The measure of advance she has been able to accomplish in the short space of a few decades along the new paths of political development is justly the wonder and admiration of the world; and her splendid achievements in every department of national life—since the Restoration in 1869—are fast winning for her a foremost place in the

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vanguard of human progress. The rise of such a nation in the East—so far outside the limit of European civilization—able in so short a period to appropriate and assimilate the best results of Western thought and culture—and already in a position and at a stage of advance to challenge even the supremacy of Western nations in more than one field of human effort—is an event of the greatest significance, and has a most profound influence over the thought and life of entire Asiatic main-land.

Japan's example has a magnetic force and nowhere across the continent have the effects of her progress been more profound than in the Islamic world. Persia, with the inspiring traditions of a glorious past, was the first Mahomedan country to feel the force of the new moral impact. In the closing months of 1905, shortly after the conclusion of the Russo-Japanese Treaty of Portsmouth, the Persian people demanded representative institutions and in January 1906 the Persian Government announced that the Shah had given his consent to the establishment of a National Council—the Majalis-i-Shora-i-Milli. And after a series of Rescripts effecting various changes in the administrative system of the Monarchy, Mohammad Ali Shah signed the final constitution, and on November 12 before the National Parliament took the prescribed oath as constitutional monarch. Here the struggle between the forces of Absolutism and Liberty is not yet at an end; and there are still disorders and disturbances at the capital and in the Provinces. But there is every reason to hope that "from out the shrieks and the groaning" there shall come "a broader day" and that peace and happiness shall before long reign over the wide dominions of the Shah.

Nor have the other Asiatic nations remained unconcerned and passive spectators of these stirring events. China is fast waking up under the force of the impact. Here the Imperial power is still autocratic, but the enlightened Empress Dowager and her able advisers are engaged in revising and re-modelling the institutions of the Empire with a view to building up its power and strength on the new foundations. Early in 1906, five Imperial Commissioners were sent to visit some of the leading countries of Europe and America, and report on their forms of Government; and on September 1, 1904, an Imperial Edict was issued, promising a constitution as soon as the country was ripe for it. And since then various progressive and liberal measures have been adopted by the Imperial Government developing the scope of public instruction, re-

organizing the army, reforming the police system and effecting improvements in the financial system of the empire. Decrees have been issued—commanding the formation in each Province of consultative assemblies to be elected by the people; and judging from probabilities it will not be many days before the Chinese nation receives at the hands of the Empress Dowager the inestimable boon of a free constitution.

Even the small Buddhistic Kingdom of Siam feels the same forward impulse. Here Government is still autocratic but has now the assistance of a strong Legislative Council, and with the aid of American, English and Belgium advisers, is busy adopting measures for the reform and improvement of the administrative system and with a view to the development of the industrial resources of the country.

Nor is Afghanistan lagging behind. The Ameer Habibullah Khan is a most enlightened ruler,—a soldier-statesman of the fine oriental type. He has already established a strong consultative council to assist him in the general work of administration—and is taking vigorous measures for the advancement of his subjects—organizing a system of popular education, inaugurating new industries, encouraging trade, improving communications, &c.

And now we have the Revolution in Turkey. The grand political change comes upon the world with the suddenness of a surprise; but to close observers of events in the Ottoman Empire, it is the crowning result of the unremitting efforts of the "Young Turkey" Association, which has been since 1870 steadily working to accomplish the transition and bring the Government of the country into harmony with the freer ideas of the age. The new constitution has been hailed with delight and enthusiasm by all classes of the Sultan's subjects, and has received the blessings of the whole of Europe. Abdul Hamid II's hearty acceptance of the constitutional ideas reflects the highest credit on his far-sighted statesmanship, and gives promise of the permanence of the change. Some of the most careful observers trace the change to the example of Persia.

In India, too, there is an analogous stir—a new awakening of national self-consciousness. The restlessness of new-born thoughts and aspirations is observable throughout the length and breadth of the country: and we have the assured promise of large and liberal changes in the near future. Lord Morley

recognises, that it is "a living movement in the mind" of the Indian people; and holds, "unless we somehow or other can reconcile order with satisfaction of those ideas and aspirations, the fault will not be theirs. It will be ours. It will mark the break-down of what has never yet broken down in any part of the world—the break-down of British statesmanship." Lord Minto agrees and is determined "that no anarchical crime will deter me from endeavouring to meet, as best as I can, the political aspirations of honest reformers." Mr. Buchanan in his recent Budget speech in the House of Commons promises: "We should like to be able on the fiftieth anniversary (November 1,) of the assumption of the Government of India by the Crown to take a real step forward. It is not merely constitutional but administrative reform in all its grades that we have in view."

Altogether, all Asia is on the stir—heaving with the newer impulses. The awakening which had first its origin in the Island-Empire of the Far East in the closing years of the last century has now spread to all parts of the Continent. A new spirit is moving on the face of the waters—rousing the nations by its quickening breath. What the final outcome may be of this new moral and intellectual ferment in the Orient, time alone could show. But that it heralds the dawn of a new, brighter and ampler day in these lands of the East, no one can doubt. Evidently, Light is victor—and the long settled darkness is dawning "into the jubilee of the ages."

THE PROCLAMATION DAY—NOVEMBER 1, 1908.*

"RIGHTEOUSNESS EXALTETH A NATION."

November 1, 1908, is approaching. It is the 50th anniversary of the Queen's Proclamation of 1858. The day is to us what the Empire day is coming to be in England and the Colonies, a day of great national importance as making the definite inauguration of a new stage forward in the growth of a New India—the India of a free press, free speech, free movement, free expansion, and under the liberalising influences of Western education, Western thought, Western culture, and in close touch with Western life.

The year 1858 was a most eventful year in our annals. It witnessed the final triumph of British arms over the forces of re-actionary and anarchic resistence and the rise of a new order of things in the land on the ruins of an old and effete regime which had long ceased to conduce to the welfare and progress of the nation. The Mutiny gave the death-blow to the dual system of Government—with its inconvenient division of powers and responsibilities. The disturbances quelled and peace re-established, the authorities in England decided that it was no longer expedient to continue the Government of India in the hands of the E. I. Company as here-to-fore. Accordingly the Transfer Act of August 2, 1858, was passed, placing British India under the direct Government of the Crown.

On November 1, 1858, the Royal proclamation was issued, announcing to the Princes, chiefs and people of India, the transfer of the Government of the country from the Company to the Crown, and at the same time, laying down the broad principles of justice and liberality on which India was hence forward to be governed. The document was by command of Her Majesty the Queen framed by Lord Derby, the then Prime Minister, who was instructed to bear in mind that "it is a female sovereign who speaks to more than a hundred millions

* This contribution appeared as a leading article in the *Mahratta* of Poona, dated 6th September 1908.

of Eastern people on assuming the direct Government over them and after a bloody war, giving them pledges which her future reign is to redeem and explaining the principles of her Government. Such a document should breathe feelings of generosity, benevolence, and religious toleration, and point out the benefits which the Indians will receive in being placed on an equality with the subjects of the British Crown and the prosperity following in the train of civilization."

The Proclamation so drawn up and in such a spirit must ever stand out in Constitutional History as almost unique in its moral elevation and grandeur—enunciating for a subject people in a far off land a policy and principles of Government of such rare breadth, generosity, and benevolence admitting them and without reservation to a status of equality with the other subjects of the British Crown and giving them such noble pledges of progressive improvement. It constitutes a most important land-mark in the annals of our constitutional advance. In it Her Majesty Queen Victoria the Good, declared *inter alia* ;—

(1) "We hold ourselves bound to the natives of our Indian territories by the same obligations of duty which bind us to all our other subjects, and these obligations, by the blessing of Almighty God, we shall faithfully and conscientiously fulfil.

(2) "And it is further our will that, so far as may be, our subjects, of whatever race or creed, be freely and impartially admitted to offices in our service, the duties of which they may be qualified by their education, ability, and integrity duly to discharge.

(3) "It is our earnest desire to stimulate the peaceful industry of India, to promote works of public utility and improvements, and administer the Government for the benefit of all our subjects resident therein. In their prosperity will be our strength, in their contentment our security, and in their gratitude our best reward. And may the God of all power grant to us and to these in authority under us strength to carry out these our wishes for the good of our people."

Such is this Proclamation of 1858 and such are some of the solemn pledges it contains. No people could desire nobler pledges of their alien rulers. Under the Proclamation, the heritage of British statesmanship was at once ours—its rights and liberties. There was to be no badge of conquest or subjec-

tion, and we were even privileged to enter on a footing of equality the great community of free nations living under the British flag. The Queen's declarations and promises lifted us up at once to a higher plane of political life.

We look upon this proclamation of 1858 as the Magna Charta of our rights and privileges—our Bill of Rights. In England the Magna Charta was extorted in 1215 by an indignant people on the field of Runnymede from a reluctant sovereign whose word they could not trust. So again, in 1689,—after a bloodless revolution, and on the failure of the determined attempts on the part of the Stuarts to subvert the constitution and seize arbitrary, despotic power—the people found it necessary to define and embody their rights and liberties in a Parliamentary Bill, and take further precautions against a recurrence of similar constitutional dangers. Here in India our magna charta has come to us as a generous gift from a sovereign of noble heart and purpose—unsolicited—unsought, and hence the moral grandeur that surrounds it.

Accordingly, when the Proclamation was issued in 1858, it was hailed from one end of the country to the other by the entire nation with the warmest feelings of satisfaction and gratitude. "What more could we ask?," writes Mr. Dadabhai Naoroji, "and what bonds of gratitude and affection and what vast benefits to both countries—India and England alike—were expected to tie us to the connection with Britain by a loyal and honorable fulfilment of it?"

"Yes, I was in Bombay," continues Mr. Naoroji, "when this glad—I may almost say,—divine message to India was proclaimed there to a surging crowd. What rejoicings, what fireworks, illuminations,—and the roar of canon! What joy ran through the length and breadth of India, of a second and firm emancipation,—of a new British political life, forgetting and forgiving all the past evil and hoping for a better future! What were the feelings of the people! How deep loyalty and faith in Britain was rekindled! It was said over and over again:—Let this Proclamation be faithfully and conscientiously fulfilled, and England may rest secure and in strength upon the gratitude and contentment of the people—as the Proclamation had closed its last words of prayer."

The Proclamation—the liberal principles it enunciated and the generous pledges it contains, have received authoritative confirmation on more than one memorable occasion.

On the occasion of her resumption of the title of Empress of India in 1877, Her Majesty the Queen herself said in her gracious message to the Princes and people of India :—"We have witnessed with heart-felt statisfaction the reception which they have accorded to our beloved son and have been touched by the evidence of their loyalty and attachment to our House and Throne. We trust that the present occasion may tend to unite in bonds of yet closer affection ourselves and cur subjects, and that from the highest to the humblest all may feel that under our rule, the great principles of liberty, equity and justice are secured to them and that to promote their happiness, to add to their prosperity and advance their welfare, are the ever-present aims and objects of our Empire."

Ten years later again, the Queen Empress in reply to the Jubilee Address of congratulation of the Bombay Municipal Corporation in 1887 observed :—

"Allusion is made to the Proclamation issued on the occasion of my assumption of the direct Government of India as the charter of the liberties of the Princes and people of India. It has always been and will continue to be my earnest desire that the principles of that Proclamation should be unswervingly maintained."

In 1901—when His Majesty the King Emperor ascended the throne, he expressed his resolve to walk in the foot-steps of his mother, and in his gracious message of greeting to the Princes and people of India on the occasion of the Coronation Durbar at Delhi in 1903 said :—

"My desire since I succeeded to the throne of my revered mother the late Queen Victoria, the Empress of India, has been to maintain unimpaired the same principles of humane and equitable administration which secured for her in so wonderful a degree the veneration and affection of her Indian subjects.

"To all my Feudatories and subjects throughout India I renew the assurance of my regard for their liberties, of respect for their dignities and rights, of interest in their advancement and of devotion to their welfare, which are the supreme aim and object of my Rule, and which, under the blessing of Almighty God, will lead to the increasing prosperity of my Indian Empire and the greater happiness of its peoples."

Successive Viceroys also have spoken of the Prolcamation in similar terms. To quote one or two—Lord Lytton, in the

course of his address as Chancellor of the Calcutta University, in March 1877 remarked :

"The Proclamation of the Queen contains solemn pledges, spontaneously given and founded on the highest justice."

Lord Lansdowne in the Viceregal Legislative Council on 9th January 1891 declared:

"The Proclamation of 1858 which the Government of India regard as in the highest degree obligatory upon it."

Fifty years have rolled by since the issue of the Queen's Proclamation—fifty eventful years—which have witnessed such marvellous progress in political and other matters in other lands and under other skies—no less than in England and the Colonies. In India, too, there has been progress, but it is disappointingly meagre. Some of the pledges of the Proclamation remain unfulfilled to this day. To mention only one matter—the question relating to the admission of Indians to the covenanted Civil Service of the country—the qualifying Civil Service examinations still continue to be held in England with the result that while there is no intention to exclude Natives of India from the Civil Service of India, "practically, however, they are excluded;" and the people's prayer for simultaneous examinations has so far elicited no favourable response. And yet it is well-known that this scheme of "simultaneous examinations one in England and one in India—both being, as far as practicable, identical in their nature", was originally suggested by a Committee of the Secretary of State's council as far back as 1860. The coming Proclamation Day affords a unique opportunity for acceeding to these and other prayers of the people and for adopting measures with a view to a more adequate fulfilment of the solemn pledges contained in the Proclamation; and it remains to be seen if Anglo-Indian statesmanship will rise to the height of the occasion.

It has been proposed to celebrate the coming Proclamation Day with due ceremonial at Agra and other places. If the contemplated ceremonial is not going to be a mere empty pageant —and if the authorities should see their way to announcing some large and liberal measure with a view to a generous extention of popular rights and franchise, we feel sure that the celebration will elecit an outburst of popular enthusiasm exceeding all anticipations.

THE CHINESE REVOLUTION.*

Salus populi suprema est lex.

The London *Times* in its issue of 26th ultimo has a most suggestive article on Japan and her progress. After remarking that the rise of modern Japan is perhaps the most romantic and brilliant episode in Modern History, the writer proceeds to pay a just and warm tribute to the genius and high character of her people—their "splendid patriotism," their "ideals of knightly chivalry," their cheerful readiness to subordinate the welfare of the individual to the larger good of the State, their resolute determination to realize a higher national destiny, their steady and patient perseverance—qualities which have won for the Island-Empire of the East an honoured place among the nations of the world, and at the same time ensured for it an internal concord and peace and a measured, orderly and balanced progress. "Her arduous endeavours have regenerated a nation which might have lapsed into decadence." But, above all, says the writer in the *Times*, "her influence has spread to the far corners of the earth and her example has roused aspirations in every country in Asia, which seem likely to engross the attention of mankind in this century." This coincides with the view of the general position and its possibilities we have ourselves ventured to express in these columns. The 20th century is in all probability *ours* and is destined to witness a mighty transformation of life in the Orient. The new ferment is everywhere observable, and in respect of all this movement and change—particularly in the political sphere,—there cannot be the slightest doubt about the profound influence Modern Japan is exercising in the remoulding of the thought and life of Eastern peoples. It is beyond all question to her and her stirring record of achievements during the last forty years—achievements which have made her great in the domain of peace no less than in the sphere of war—that they are indebted for their present awakening, and it is from her that they are deriving their inspiration and hopes. As a result of this wide-reaching influence of Japan it is that we see—all over the broad face of the East, from Peking to Teheran, and from Teheran right on to the capital of the Turkish Empire—

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new forces at work, tending to bring about vast and mighty changes in the political life of Oriental nations. Evidently the East is waking up from her lethargic slumber of ages. All over the continent the old moulds are being caste off as obsolete, antiquated and as no longer suited to modern requirements, and the nations are busy revising and reconstructing their existing political arrangements—with a view to their re-adjustment to the conditions of the new situation.

Persia, as we wrote on a former occasion, was the first nation of the Asiatic mainland to feel the impact of the newer influences. As soon, accordingly, as the Russo-Japanese war was over, the Persians presented a demand to their Monarch for free political institutions; and in January 1906, the Shah was pleased to accord his consent to the establishment of a constitutional Government for Persia. Turkey has within the past few weeks followed in the same wake and the Sultan Abdul Hamid II now rules over his wide dominions as a constitutional monarch. This week comes the turn of China—the mighty Celestial Empire of the East. Reuter wires, under date September 2, from Peking that "an Imperial Edict has been issued, which settles the outlines of the Constitution for the Empire, and provides for the ultimate summoning of Parliament."

Here is a political change—a vast and mighty change—perhaps the most momentous of recent times—destined in the fulness of time to transform the face of the Orient, and profoundly influence the general course of human advance. China—the drowsy and decadent nation of the East—the veritable land of the lotos—wedded from time out of mind to her hoary traditions of automatic rule—suddenly working up under the vivifying influence of the newer impulses—discarding her time-honoured but effete system of personal Government, and establishing in its stead a free political constitution with a national Parliament—broad-based upon the people's will,—no more striking or convincing demonstration is needed of the vast political transformation that is proceeding all over the

Asian continent. Here we have a bloodless and mighty revolution, due to the generous and spontaneous initiative of the enlightened Empress Dowager and her able and trusted advisers—which has the effect of bringing this great and ancient nation into line with the general movement of modern progress, and at once up-lifting a numerous Eastern population —thinking, frugal, industrious, and forming one-fourth of the whole human race—to a higher level of political life and entrusting to their hands, under due safeguards, the shaping of their own destinies. The old-wall is gone—the wall of ignorance and blind prejudice, shutting out the newer light and life and obstructing all reform and improvement. And now, the most formidable obstacle to progress successfully removed, China will go forward upon the new path with the sympathies and good wishes of the whole civilized world.

Nor are things at a stand-still in Afghanistan and Siam. Now, too, there is a like awakening—a new national self-consciousness of power and destiny; and changes are in train—antecedent and preparatory to a larger political transformation.

Thus, there is a mighty movement of political up-heaval proceeding in stately stages before our eyes throughout the length and breadth of the Asian main-land, a movement fraught with immense possibilities. India alone lags behind—and stands outside this grand concert of Eastern political transformation. Though Providentially placed under the political control and guidance of a nation—the freest and most progressive nation of the West—she is still debarred from the blessings and benefits of a free and popular constitution. Surely, it cannot for a moment be reasonably contended that, after more than a century of British rule and its liberalizing influences, her cultured races are yet unfit to receive the gift of free institutions—a gift which neither the Mikado of Japan, nor the Shah of Persia, nor the Sultan of Turkey, nor the Emperor of China has thought it necessary to withhold from their subjects. Were it in any-

wise true—such a contention, we hold, would constitute the gravest indictment of British Indian administration. The fact is, the change—for which all India is longing—is over-due, the concession of a free constitution ; and we are all looking forward —with hope and with confidence—to the coming fiftieth anniversary—November 1—of the Queen's Proclamation of 1858—for the welcome announcement of a truly large liberal measure of constitutional change—so shaped as to admit the people—in fulfilment of the generous pledges of a great and large-hearted Queen—Victoria the Good—to an effective share in the control of their own affairs. In the words of Mr. Dadabhai Naoroji, "our grievances are many and they are just" and we are bound to "maintain the struggle for essential reforms with unceasing endeavour and self-sacrifice—peacefully, patiently and perseveringly," appealing "to the conscience and righteousness of the British nation." And may British statesmanship by God's grace rise to the full height of England's duty to her Eastern Dependency—is the fervent prayer of all India.

A FRESH MILITARY CHARGE ON INDIAN REVENUES.*

"Their's not to make reply."
"Their's not to reason why."
"Their's but—

To obey and do as bidden—this accurately represents our position under the existing arrangements in respect of the charges we have to meet on account of the British troops serving in India. In this matter our military system is—under the Army Amalgamation scheme of 1860–61—linked on to the General Imperial defensive organisation of Great Britain; and while such linking is to us from a military point of view a great and unquestionable benefit, financially it places us completely at the mercy of the War Office; and renders us liable to be called on to accept charges which are in their nature Imperial, as arising from changes of system—effected from time to time with a view to the changing military necessities of the Empire and ought never to be thrown on us. This is a most unequal and one-sided partnership, and the weaker party is always at a disadvantage.

The Simla telegram of 22nd ultimo regarding the new military burden—runs as under:—

"The Secretary of State in a Despatch to the Government of India has communicated the decision of His Majesty's Government on the recommendations of the Romer-Commission, which met in London last cold weather, for the division of military expenditure between India and England. Lord Morley, I understand, has decided to saddle India with a further increase of military expenditure to the sum of three hundred pounds (or 45 lakhs of rupees) per annum as an additional charge for recruitment and training of British Soldiers for service in this country. The capitation charge for each British Soldier has been £7—10d. and this will be proportionately increased."

Thus a fresh charge has been thrown on the revenues of India at the instance of the War Office and the Treasury. What are known as the capitation charges have been enhanced, and

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he total payments we have to make to the Treasury year after year on account of the British Garrison in the country have been increased by full £300,000 or Rs. 45,00,000. Forty-five lakhs of rupees a year—this is a very heavy addition to our already over-grown military budget; but it is a "settled fact" and no amount of protest or remonstrance can now avail to upset the new arrangement. It is an old story—once again—of financial wrong so inflicted—without consideration and so uncomplainingly borne! The War Office is master of the situation—as representing the predominant partner—and India—poor unhappy India—goes to the wall! The new charge is of a nature in respect of which we have not—and never can hope to have—as long as the present one-sided arrangements continue—any effective voice; and when once it is decided on, neither the Government of India nor the Secretary of State has any the least power of resistance against the demand of the War Office. As things are, the Secretary of State in Council has in civil affairs the constitutional right to protest against the imposition of unfair and improper burdens on the Indian finances; but in regard to this military question he is simply powerless. The constitution provides us no safeguard—no effective security here against financial injustice. The Colonies in this as in all other respects possess a measure of constitutional protection—which is under the existing system of autocratic rule denied to poor India—though as much a component part of the Empire as they—or even so in a larger and truer sense.

Large, again, as is this new burden thrown on India—it need hardly be pointed out that it brings us absolutely no gain whatever—in the shape of increased military strength or security. It does not help to add—this fresh charge of 45 lakhs—a single soldier to our existing British establishment—not a single gun, sabre, or bayonet. It only seems to give corresponding relief to the English Estimates—and that, at the expense of India. Whenever the War Office in the exercise of its discretion decides to pass on any portion of its military charges—and has the concurrence of the Treasury—the India Office has to bow to the decision and find the money to meet the new liability as best it can. This is the plain logic of the situation. Surely, no blame to Lord Morley or the India Office over which he presides. It is the faulty constitution of Indian Government in England, that is the root of the evil. And we are as on the whole inclined to agree with the *Times of India* in holding that "although we could well have done

without this expense, we have to recognise that the charges have increased, and that unless the principle in which they are levied is to be re-cast, India must bear her proportion of them."

We are, therefore, strongly of opinion that it is the existing system—the *fons et origo* of the evil,—that requires a thorough re-casting. We hold that an arrangement which leaves India, so much in the power of the War Office and the Treasury, in a matter of such vital importance, is fundamentally a faulty arrangement. It is essential for both military and financial considerations that the Government of India should have—as during pre-mutiny periods—a wider control over their own defensive establishments. In the days of the East India Company, India had a separate European force of her own—recruited on her own account and trained at her own depôts in England—and was at liberty to arrange and adjust her own military expenditure to her requirements, without outside interference, and was able to enforce due economy—as far as was consistent with the efficiency of the services. After the mutinies, however, there came a change. The local European army was abolished, and the power to maintain one on an independent footing was repealed in 1860-61 and the transfer of the local European Soldiers to the general forces of the Crown was carried out in 1861. The army Amalgamation so effected half a century ago still stands, and constitutes the basis of the present arrangements. The British troops serving in the country, accordingly,—far from being an independent local force as in pre-mutiny times—are now a part of the British Imperial depôts, and supplied for service in India by periodical drafts and relief.

Under this arrangement, the changes we incur on account of the British troops serving in India are of a two-fold nature. We have not only to pay the whole of the expenses connected with the British army in India from the date of arrival of the recruits from England to the date of their departure Home; but also we have to pay to the War Office the proportional cost of recruiting the requisite number of men year after year and of their training at the depôts in England. This after-charge is known as the capitation charge—assessed at present at a rate of £7-10d. per man on the total established strength of British troops in India. The payments to His Majesty's Exchequer on this account amounted to £565,720 on a total force of about 75,000 in 1905-06.

In the words of Sir Rulph Knox, these payments include a variety of charges—"In the first place, there is the calculated charge for training the individual soldier according to the form of service to which he belongs;" there is next the charge of staff officers—"who train him;" thirdly, there is a charge for the pay of young officers who are appointed to the Indian regiments as vacancies occur in those regiments; fourthly, there is the cost of the young officers who are appointed to the Royal Engineers and who are under a lengthened training at Chatham; fifthly, there is the cost of training Veterinary Surgeons and of the examination of candidates for the Indian Medical Service, and besides, there are several minor charges. The total payment for all these charges is met by a capitation rate of £ 7–10 d. for each man borne on the establishment of the British force in India.

The present rate £ 7—10 d. per capita was fixed by Lord Northbrook's Committee in 1889-90: and Lord Northbrook stated in his evidence before the Welby Commission that it was "fair to both sides"—India and England alike.

This is the capitation charge which is now, on the recommendation of the Romer Committee, so largely enhanced. We have not yet before us the text of the Romer Committee's Report and Reuter does not give us in his telegraphic summary the grounds on which their recommendations are based. Nor are we in India aware that any special circumstances have arisen —necessitating the enhancement in the capitation charges which Lord Morley has decided to accept on behalf of India. The issue involved is one of great practical moment and we must defer further comment on the point until we get the text of the Romer Committee's Report, and are in a position to appreciate the force of the military and financial considerations which have led them to make their recommendation, and of the grounds on which the decision of the Secretary of State in Council in respect of it is based.

A CRITICISM OF THE BUDGET FOR 1890-91.*

The Budget of 1890-1901 is out. I see, in its leading lines, it approximates your forecast rather than mine; but I still think, my anticipations have a firmer basis than yours in what I would call the logic of facts and probabilities. I also see you give it your approval as a whole, in which, again, I am sorry, I am unable to follow you.

It is not a "dull" budget, as you think; but it is the most cynical, we have had for several years—cynical in its disregard of real elements of financial strength; cynical in its contempt for the growing burdens of the country, already far beyond its capacity to bear; and cynical in its indifference to the political risk involved in such a growth of our public burdens, on which Indian statesmen have ever laid the greatest stress. It promises no economies worth the name,—a whole year's laborious and costly work of Lord Dufferin's finance committee, and its three bulky volumes of suggestions and recommendations notwithstanding; it maintains in fact the abnormal level of expenditure initiated in the summer of 1885-86 in all its alarming tendencies to rise, silently ignoring the happy change of situation that is rapidly coming over, and which promises to materially diminish the stress and strain of recent years; it proposes no change whatever in the admittedly exceptional fiscal status established in the spring of 1888, (the circumstances are sufficiently favourable to permit of such change), quietly putting aside all Lord Cross's Parliamentary pledges about the reduction of the salt duty; but, worse than all, it postpones all hope of a near alleviation of the country's burdens, and indeed discourages any such expectations. "I fully recognise," writes Sir D. Barbour, "that we have difficulties of no slight magnitude still to meet, that the finances are exposed to many dangers, and that unforeseen disaster might for a time upset our calculations. There is every need for caution and for economy, and I should greatly regret if anything I now say, all I have said in the past, conveyed the impression that the Government of India is in a position to embark on a policy of adventure of any description." The nature of these possible

* This contribution dated 23rd March 1891, Bombay, was published in the *Bombay Gazette* over the signature "G. V. J."

"difficulties", "dangers," and "disasters", we have still to face, is nowhere indicated; but the warning so conveyed is ominous, coming after the last year's declaration "that the sacrifices which the country has been called on to make in recent years have not been in vain."

Such is this budget for 1890 and 1891, cynical, pessimist and disappointing to a degree, although Sir D. Barbour will not admit it. It is not possible, within the limits of a single letter, to criticise it with any degree of fulness, but I will try to be brief, and relying on your kind courtesy for space, offer a few remarks on some of its most salient features. In the present letter, I will confine myself to the following:—

1. The budget estimates for 1890 and 1891—both Revenue and Expenditure.

2. The disposal of the surplus of Rx. 2,733,200, shown on the revised estimates for 1889-90.

3. Appropriations under the reconstituted Famine Insurance grant.

(1) The Budget estimate for 1890–91:—the budget estimate of financial improvement for 1890–91 under exchange and opium appears to me to be too large an under estimate. The finance minister refuses to take for the coming year a higher rate of exchange than the average rate obtained for the past 12 months (1s. 4·532d.), which is a full half-penny below the current rate of the day. This official refusal to take account of the recent price of silver in the budget calculations for 1890–91 requires, I repeat, a stronger justification than precedent, unless it can be shown that this rise has been a mere accident, a passing upward oscillation, and that causes are at work in the monetary world, which threaten to send down the rupee again before long. Under opium, too, Sir D. Barbour's estimate is only 820 lakhs, which is worse than the budget estimate for 1889 and 1890 by 6 lakhs and than the revised by 34; and no reason is assigned for this lower estimate of revenue than the vague expectation of "better crops in Malwa and China," and the recent fall in Calcutta prices. Taking these two heads together, I think, the estimate is lower by over 70 lakhs than it need be. But this point of under-estimates of revenue apart, which I will not unduly press, it is interesting to note that the budget estimate for 1890–91 on the Revenue side

is better than that for last year by nearly two crores, or more exactly Rx. 1,996,800, thus :—

Budget estimate for 1890-91 (Revenue)	,,	84,932,100
,, for 1889-90	,, ,,	82,935,300
	better Rx.	1,996,800

The following table shows how this improvement in estimated Revenue for the coming year is distributed over the several heads of receipt :—

[000s omitted.]

Head of receipt.	Budget estimate for 1889-90.	Budget estimate for 1890-91.	Increase + Decrease–
Principal heads of Revenue.			
Land	23,391	23,874	+483
Opium	8,260	8,200	–60
Salt	8,029	8,233	+204
Stamps	3,959	4,034	+75
Excise	4,727	4,844	+117
Other heads	8,575	9,005	+430
Total principal heads...	56,943	58,185	+1,242
Interest	734	789	+55
Post office, telegraph, Mail.	2,328	2,423	+95
Civil P. receipt	1,464	1,521	+57
Miscellaneous	1,340	1,243	–97
Railway	16,686	17,151	+463
Irrigation	1,889	2,035	+146
Building and roads ...	603	589	–14
Receipts by Military Departments ...	944	982	+38
Total Revenue...	82,935	84,932	+1,996

This satisfactory improvement in the revenues, amounting to nearly 200 lakhs, is both general and normal; and the total result does not much differ from my forecast of last year, though the items in the improvement are not all precisely those that I anticipated. If the scale of expenditure budgeted for last year had not been exceeded in the calculations of the coming year, we should have had all this excess amount of revenue (nearly two crores) figuring in the Budget of 1890-91 as a net surplus in the hands of the finance minister. What makes Sir D. Barbour's position stronger still (to the lay mind, of course) is the fortunate fact that the revised estimates for 1889-90 yield him as a splendid surplus Rx. 2,733,200 available for the service of the Budget year, out of which to meet special demands upon the treasury. The Budget estimate of revenue better by 2 crores, and a net surplus of 2¾ crores, available from the unspent money of last year for extraordinary charges, with absolutely no cloud overhanging the financial horizon,—this is certainly a financial position of exceptional strength, and if Sir D. Barbour had only used his opportunities, as Sir E. Baring did in 1882-83 under similar circumstances, in a spirit of large-hearted and far-sighted statesmanship, he would have been able to give the country the relief it is sighing for from the abnormal and severe pressure of the past 5 years. But the finance minister has chosen to act otherwise. The Budget of 1890-91 on the expenditure side stands, needlessly as I think, loaded with a heavy bill of non-recurrent exceptional charges amounting to over 2½ crores,—a bill which certainly might have been well met out of the surplus of 1889-90 fortunately available for such disposal, thus:—

	Rx.
Army	1,361,300
Special defence work ...	892,300
Courts and Jails in Upper Burma	304,000
	2,557,600

(Last year, also, similar though smaller amount of special charges had to be paid out of the revenues.)

The details of the special military charge of 1½ crores are :—

	Rx.	
Rifles and guns	955,300	(£745,600)
for re-ornament of the European Army, Chin-Lushai expedition.	200,000	
mobilization-transport	60,000	
extra grants to volunteers corps and cost of disbandment of Madras Regiment, etc., etc. ...	146,000	
Total Rx....	1,361,300	

None of these charges, it is clear, are likely to recur. They are, including grants for special defences and Upper Burma, Civil buildings, in their nature, temporary and exceptional charges; and yet though there is a sufficiently large surplus available for such special non-recurrent expenditure, it is all debited to the normal revenues of 1890-91, and there is little cause for surprise if the expected surplus of 2 crores thus dwindles down to a paltry sum of 30 lakhs or so.

But the Budget year does not altogether go without some apparent benefit from the surplus of the closing year. It gets for its service the entire provincial contribution of 49 lakhs levied last year to be devoted to appropriations under the famine insurance grant. The famine insurance scheme is proposed to be revived, the annual grant for the purpose, to be apparently a permanent, annual, recurring charge on the normal revenues of the country, and yet it is provided for in the Budget—not from the normal revenues of the year—but from what the finance minister takes to be a mere windfall. Thus we have, I fear, a budgetary arrangement, which while it keeps on non-recurrent temporary charges debited against the normal revenues of the year, proposes to meet a normal charge like famine insurance grant and that, too, of a recurring character, out of the accidental surplus of a single year. The absurdity of the arrangement is clear, and gives a somewhat fictitious character to the reconstructing famine insurance scheme.

(2) This brings me to the question connected with the disposal of the surplus of 1889-90. The amount of the surplus on the revised estimates exceeds all forecasts, part only is

accidental, namely the saving expenditure under opium, but the major portion, the provincial contribution of course apart, is more or less due to the budget under-estimates of last year. The amount is Rx. 2,333,200 and is thus made up :—(Vide Para 9 of the Budget).

On the Revenue side :—

	Rx.
Opium better than estimate	995,200
Other principal heads of revenue estimates...	776,500
Budget surplus	106,300
Total Rx....	1,878,000

On the Expenditure side :—

Deduction of expenditure under special defences	334,500
Interest	230,900
Other heads	289,000
Total ...	865,200*
Grand Total...	2,733,200

This surplus, it should be borne in mind, occurs on the revised estimates for 1889–1890 after meeting all the special, non-recurring charges of that year, (nearly 5 crores under Burma, defence work, frontier roads and railways, frontier expeditions, re-ornaments, mobilization etc.). This shows how the taxation of the country has been put abnormally high under the arrangements of 1888–1889 under cover of providing for foreseen and unforeseen difficulties and dangers, which, we are always told, beset Indian finance. But this apart, one would expect that such a surplus so accruing might be devoted to meet abnormal, non-recurring charges of the Budget year. Nothing, however, is farther from the mind of Sir D. Barbour. He has no idea of meeting out of it in part or in whole the non-recurring charges of the coming year, such as purchase of rifles and guns, and construction of defence works—which alone amount to 2½ crores—charges which are certainly of a special temporary nature, so as to liberate a corresponding amount from the Budget revenues to be devoted to remission of taxation. Nor,

* There seems to be some discrepancy in these figures.

again, does he think of restoring to the provincial Governments the special benevolence of 49 lakhs levied upon them last year, but needlessly and in violation of all contract obligations. The finance minister has his own method of disposing of this surplus which, I fear, will not satisfy the public. He proposes, briefly :—

1. To transfer the provincial contribution of 49 lakhs from the revised estimates for 1889–90 to the Budget for 1890–91, to be appropriated under famine insurance grant.

2. To raise the famine insurance grant for the closing year by assigning 43½ lakhs out of the surplus for the purpose, so as to bring up the total appropriation under that head in the accounts for 1889–90 to 60 lakhs.

3. To utilise the remaining 180 lakhs of the surplus for the reduction of borrowing on account of construction of P. Works or in other words to spend that amount on productive of P. Works, which are usually constructed out of loans, with the result of effecting a saving in net interest charges on account of productive P. Works. Thus :—

	Rx.
Transfer of the provincial contribution to 1890–91	490,000
Famine grant appropriation for 1889–90	433,500
Productive P. Works ...	...1,809,700
Total...	2,733,200

The objections to these proposals as to the disposition of this surplus of 1889–90 are obvious and strong.

(1) The retention of the provincial contribution, after it has ceased to be required, is in itself, opposed to the general policy of financial decentralization. The transfer of it to the Budget of 1890–91 is against all precedent ; and the devotion of it to a partial restoration of the famine insurance grant for the coming year is as much against the original purpose of the contribution as it is against the original policy of the famine

insurance grant, for which special taxation was imposed *in* 1877–78 and 1878–79 and which was intended to be an imperial charge, not a provincial one. The provincial Governments had their own share of responsibilities assigned to them on account of famine insurance. It would be simple justice to return the amount to those Local Governments.

(2) The proposal to increase the famine insurance grant for the year which ends next week, is a curious proposal, and, when we are told that the sum is to be spent during the next budget year and then too, on productive, not protective public works, it becomes a mere picture for the diversion of a large part of the available surplus for purposes, for which such surpluses should never be utilised except in an exceptionally prosperous condition of the national finances.

(3) Sir D. Barbour's proposal to utilise the greater part of this splendid surplus of the closing year for the construction of productive public works—while vast sums stand assigned in the budget appropriations for non-recurring, non-productive charges of an exceptional character,—can only be justifiable in a state of the national finances, which is exceptionally prosperous on the basis of a normal fiscal status. Besides, as such a plan is unusual, productive public works expenditure is, in ordinary circumstances, met out of loans. In a country so poor and industrially so backward as India, it is of supreme importance that the weight of public burdens should be as light as possible; and heavy public burdens, which weigh like a dead incubus on the springs of national industry, are not the way to financial strength. Further, the salt tax at its present rate is admirably a heavy impost, and adds grievously to the burdens of the poorer classes. According to the figures of the finance minister himself, the consumption of salt has stood still during the last 2½ years instead of increasing with an increasing population—which means a diminution of consumption to the extent of above 20 lakhs of maunds. As long, therefore, as this salt tax is maintained at its present line, and the existing fiscal status continues unchanged, our finances can never be regarded as being in any way in a satisfactory condition. Sir D. Barbour's proposal in the present circumstances is equivalent to maintaining the existing abnormal taxation intact for foreseen and unforeseen emergencies, and debiting against it non-recurring special expenditure of every kind, leaving no surplus on the resources of the year, while, at the same time, spending the surplus of the previous year,—that too, carried out on such an

abnormal basis of fiscal burdens,—on productive p. works and thereby effecting a saving in interest charges on account of such works. To my mind, neither the equity nor the policy of such a proposal is clear. On the whole, I am afraid, this way of disposing of this magnificent surplus of 1889-90 will not comment itself to the mind of the country.

(4) I come, lastly, to my third point, namely, famine insurance grants. Provision is made for such grants in two ways :—(a) by assigning portions of the surplus of 1889-90 for productive p. works; and (b) by showing the net interest charge on account of the Indian Midland and Bengal Nagpur Railways under this head of charge. As regards assignments from the surplus for the purpose, it is obvious that it gives an unreality to the scheme to provide such grants not from the normal current revenues of the year, but from the accidental surplus of a single year. It is simply absurd to propose to meet what are to be normal recurring annual charges in this way. But the second part of the scheme—to pay out of the grant, the net interest charge on account of the Indian Midland and Bengal Nagpur Railways—is still more objectionable. The proposal is not a new one. In the very year in which this famine insurance fund was created, the Lytton Government proposed to allow in case of necessity money to be borrowed for protection works, "subject to the condition that the net charge for the interest on the capital cost and for their maintenance, after setting off the income yielded by them, should not exceed a specific minimum amount to be provided for from the ordinary standard surplus." But the Secretary of State withheld his sanction to the proposal, saying, "I deem it necessary to express the opinion that the present condition of the finances does not justify any loans for outlay on protective works," and the Parliamentary Committee on Indian Railways (1884) writes in its report, para 7, "the select committee of 1878-79 were also of opinion that the appropriation of a part of the famine fund for the payment of interest on loans raised to be expended on famine works, not fully productive, would be an *entire inversion* of the object for which the fund was created." (The italics are mine). Sir D. Barbour's proposal, though it has received the sanction of Lord Cross, opens up a broad question of financial policy and elicits careful consideration. That it is unsafe and objectionable in every point of view, is my own decided conviction. But more of this on a future occasion.

A NOTE ON PROVINCIAL FINANCE.

There is no question in the whole range of Indian Finance of more vital importance to administrative progress or more deserving of serious consideration than the question relating to the working of the Decentralization measures. Our existing system of Provincial finance, with all the developments it has received during the past twenty-five years, is still essentially faulty, and is neither conducive to economy in financial administration nor favourable to the even progress of internal development and administrative improvement. *Unequal* and *unfair apportionments of revenues* as between Imperial and Local needs, on the one hand, and, on the other, as between one province and another—a standing source of irritation and discontent; *short-term settlements* which destroy all sense of security and certainty; *periodical re-adjustments* of *assignments*—almost always resulting in curtailment of provincial resources and impairing the continuity of Provincial work; *recurring extraordinary Provincial contributions*—often levied apparently without sufficient reason or proved necessity—all these are its features which not only reduce its value, but make it in its practical working a positively wasteful and harmful system. Over twenty-five years' experience is there to show how far our present arrangements tend to retard and hinder Provincial progress, and by dissociating power from responsibility and while leaving the Provincial administrations with uncertain and inadequate resources to meet the requirements of their respective provinces, bring to the Imperial Government administrative relief and a freedom from financial anxiety in respect of internal progress, which the conditions of the case scarcely justify and cause a diversion of its energy and funds to objects less legitimate. And it would appear that if this system of Provincial finance inaugurated more than a quarter of a century ago is at all to realize the high expectations of its authors and be a real benefit to the country, it requires, in the light of past experience, a thorough revision.

The question may be viewed from two different standpoints:—

(A) As a question as between the Imperial Government on the one side and the Provincial administrations, on the other, collectively:

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* This note was written in 1898, but did not appear in print.

(B) As a question as between one province and another.

(A) Looking at the question in its broader aspects: (1) What first strikes the financial critic is the very large proportion of national income which the Central Government reserves to itself for the general work of the country, as compared with what it allows for Local administration. Taking the accounts 1895-96, we find it is no less than full two-thirds of the total revenues of the country as per margin.

	Crores.	Crores.
Total revenues	98·370—21·8 Railway receipts.	
	=	
	76·511 crores.	
Imperial share	51·541 crores or 68 p. c.	
Provincial and Local 20·8+4·0=24·870 crores or 32 p. c.		

Under our present arrangements, the Imperial Government has charge of *debt*, *army*, *foreign relations*, *railways*, *irrigation works*, *post*, *telegraph*, *mint*, &c., while the entire work of internal ordinary administration is left to the Provincial Governments—a division of services as between the Central and Local administrations, much the same as we have in federal states and yet, in none of these, do we find such a large portion of national income appropriated to the work of the Central Government. In the *German Empire* it is no more than 35 p. c. of the total revenues; in *Switzerland* and the *United States* the national income is, roughly speaking, divided half and half between the Central and Local administrations as per marginal table.

Country.	Total Revenue	Central G. R.	Local G. R.	Ratio of Central and Local.
Germany Marks in mill.	3,681	1,285	2,396	35/65
Switzerland Francs in mill.	1,586	786	800	49/51
United States Dollars in mill.	914	444	470	48/51
British India Rupees in Crores.	76·51	51·54	24·8	68/32

Surely in a country so circumstanced as India is and where internal improvement is an object of such paramount and transcending importance, a financial system which leaves so little for local requirements cannot be regarded otherwise than as fundamentally wrong.

Our Imperial expenditure, besides, which absorbs two-thirds of our national income is altogether on too high a scale—much beyond both of our needs and means and is out of all proportion to what we spend for local purposes. Our army, for instance, admittedly (*Vide* Evidence of Lord Lansdowne) maintained at a strength in excess of our wants, costs us (exclusive of exchange) 23·46 crores—which exceeds the cost of the armies in the United Kingdom by close on 6 crores and which is equal to the whole army-expenditure of the Russian Empire and amounts to 32 p. c. of our revenues—a proportion nowhere else even approached. Our Staff corps pension-charges, alone, come up to £1,806,000 (close on 3 crores), and very nearly, equal the amount we at present spend on the entire judicial administration of the country (=3·083 crores). Military charges (32·3 lakhs) on account of Upper Burma equal in amount what we at present spend on education in the Bombay Presidency (34 lakhs). Our political expenditure likewise stands at present at 1·062 crores which exceeds the whole cost of *medical relief* (1·020 crores) throughout the Empire. Deducting political-agency charges (35 lakhs), we have a net political expenditure of about 71 lakhs, which is a good deal more than what England spends on her diplomatic and colonial services, or France on her foreign office, and equals nearly 1/2 the total grant for education in all India.

Country.	Revenue.	Army Ex.	Rates of Army expenditure to Revenue.
	In	Millions	Sterling.
Russia	115	23·9	21 p. c.
United Kingdom	91·3	17·3	19 p. c.
France	138	25·9	19 p. c.
Germany ...	185	24·	13 p. c.
Italy	72·4	9·4	13 p. c.

Country.	Foreign office expenditure.
	£. mill.
United Kingdom..	·635
United States ...	·350
France	·650
Germany	·500

(2) The next point that arrests attention in connection with these Decentralization measures is that while our National Revenues are expanding, the Provincial Governments hardly get their fair share of the increase and with the necessary result that the internal progress of the country is seriously retarded as shown in the following tables.

TABLE A.

Revenue in Crores.

Years.	Imperial share.	Provincial share.	Local Rates.	Total Rev. excluding Railway receipts.	
1882-83	40·37	16·334	2·593	59·296	
1895-96	51·641	20·806	4·064	76·51	

or leaving out Local Revenue.

Years.	Imperial share.	Provincial share.	Total of P. & I.
1882-83	40·37	16·334	56·70
1895-96	51·64	20·806	72·44
Increase.	11·27	4·472	15·700

From the table it will be seen that while our Revenues exclusive of Railway receipts and Local rates have increased during the past 14 years by 15·7 crores, the Provincial share of the increase is even less than 5 crores, barely 4½ crores,—over 11 crores, going into the coffers of the Central Government. While, with such increasing resources, the supreme Government is naturally under no necessity to exercise economy in respect of its general expenditure, the Provincial Administrations have to be content with but restricted increases even under the most useful and necessary heads of charge.

TABLE B.

Expenditure under certain heads.

Head of Charge.	1882-83.	1895-96.	Increase.	
Army	17·100	23·460	6·360	
Political Exp. ...	·513	1·062	·550	
Total...	17·613	24·522	6·910	
Law and Justice.	3·255	4·047	·792	
Police	2·642	*4·040	1·398	* Including cost of Punjab Frontier and Burma military police.
Education ...	1·145	1·536	·391	
Medical relief ...	·692	1·030	·338	
Total...	7·734	10·653	2·919	

From these tables, it will be seen that while Government has added nearly 7 crores during the past 14 years to its Army and Political charges, we have had barely 3 crores more to spend on some of the most necessary of Provincial services; the Education grant, taking all the Provinces together, shows a total increase of less than 40 Lakhs, medical relief only 34 Lakhs, where-as the increase under *Army* alone (excluding Exchange) is more than twice the increase under all these Provincial services together.

(3) Our Provincial assignments, moreover, already so meagre and inadequate for Local purposes and so slow in their increase—are liable to curtailment on periodical revision. This curtailment may be in the shape of either (i) reduction of assignments for expenditure below the normal standard, or

(ii) resumption by the Imperial Government of a portion of increase of revenues on the Provincial share, or both. The main principles guiding such revisions are as stated by Sir A. Colvin (Fin. St. 87) these :—

(1) "That the amounts of the funds assigned to Provincial Governments need not exceed, or equal, the amount of the expenditure assigned at the time when the contracts are made; Provincial Governments being expected to provide by their own resources the difference between the assigned revenue and expenditure."

(2) "That the growth of Provincial expenditure during the term of a contract must be met from growth of Provincial revenue; except in cases where considerable expenditure is undertaken by Local Governments to meet the wishes of the Government of India, and to carry into execution projects which are pressed upon it by that Government."

(3) "That the Imperial Government reserves its claim at the expiry of a term of contract, to such share as the circumstances of the time may make necessary in the increase of revenues, which have accrued to the Province during the term of the contract, but which were reserved to the Provincial Government during such term."

(4) "That the power of enforcing reduction, on the occasion of a new contract, of the assignments of revenue made at the previous contract is a condition implied in the system of Provincial Contracts, and has been uniformly acted on."

Such revisions are a most novel feature of our existing arrangements as introducing into our Provincial financial an element of uncertainty which paralizes all solid advance. No such periodical re-adjustments of Provincial resources seem to have been contemplated in the original scheme of Lord Mayo's Government. Sir D. Barbour is most strongly opposed to them, as calculated to take away all incentive to careful and economical management and further to interfere with the continuity of Provincial work. In Federal states like Switzerland or the United States no provision exists under the constitution for such periodical revision of Provincial revenues, and

indeed it is not easy to understand why such periodical reductions of Provincial resources in favour of the Imperial Exchequer should be necessary as a normal feature of our financial system. When the Imperial and Provincial Governments both fairly start together each with sufficient and sufficiently elastic revenues, it is only right that for all future increase of resources, required to meet expanding wants, they should rely, except under circumstances of abnormal pressure, on the development of their own respective sources of income. Nothing but harm could result from an attempt on the part of the Imperial Government in normal conditions to revise its financial relations with the dependent Governments and resume for its own purposes in whole or in part any increase of revenue which might have accrued to them. No such revisional power is permitted to the Central Government under federal constitutions When each has to rely on its own resources, there is the strongest motive to economy and careful management all round. In India this safeguard for economy is under the existing system wanting. The Government of India has the power to re-adjust Provincial assignments in favour of its own resources at convenient intervals, and the additional revenues so obtained from the Provincial Governments come to it with the certainty of land-revenue increases on resettlement, and with equal ease—naturally leaving it diminished motives to economy. The Provincial Governments, likewise, when they find that the fruits of their economy and careful administration are liable at every periodical resettlement to be swept off wholly or partially into the Imperial coffers, naturally feel little or no incentive to the exercise of care and economy in the managements of their Local finances. And all this leads to extravagance and waste. This reservation of revisional power in the hands of the Central Government, which from the point of view of the Government of India is so necessary and advantageous, is thus one of the weakest features of our existing system and the sooner it is done away with, the better.

The difficulties of the Central Exchequer are no doubt often urged in justification for such reservation of the power in the hands of the Central Government. War, Opium, Exchange, Famine—with such and so many uncertain and embarrassing factors in Imperial finance, the Government of India, it is argued, can never be in a position to forego such power and such fiscal reserve in favour of the Provincial Governments. A surrender

of this power, Sir A. Baring (Lord Cromer) once said, would be financially, "analogous in its nature and effects to the Permanent Settlement of Bengal."

Evidently, however, in framing what we intend to be permanent administrative arrangements, we have no right to assume that the abnormal condition of our finances will continue for ever—indeed we cannot afford to have it for ever and ever. The embarrassments of the Central Treasury are either permanent or temporary. If temporary, they would only justify a demand for contributions as for instance under the Swiss constitution. If, on the other hand, our Imperial financial difficulties are more or less permanent, they would point to the necessity for some permanent re-adjustment of revenues as between Imperial and Local needs. But in either case there is no justification for the reservation of such power in the hands of the Central Government, to revise these provincial settlements at regular intervals without regard to the necessities of the general financial position. No such power was reserved in the Mayo-scheme of 1870-71. It was only in 1877-78 when the whole system of Provincial finance was changed that such reservation was first announced and the element of permanence and fixity was taken away from the Provincial settlements.

(4) But what adds to the evils of these revisions is the fact that our Provincial settlements are short-term settlements. They last only for 5 years and as they fall in, they are revised in favour of the Imperial Exchequer and against the Provincial Administrations. And, thus, every fifth year our Provincial resources are cut down and Provincial progress is thrown back. Five-year periods are evidently too short to permit of any large programme of permanent, administrative or material improvement being projected or taken in hand, and uncertainty and insecurity hang over every effort of the kind. These five-year Provincial contracts are in their effects as injurious to the progress of Provincial improvement as the quinquennial land-assessments were, during the early years of the British conquest, to the agricultural prosperity of the country. Sir A. Mackenzie put this point very graphically in his remarks on the budget last year. He observed :—

"I deprecate the way in which these quinquennial revisions have so frequently been carried out. The Provincial sheep is summarily thrown on its back close-clipped and shorn of its wool and turned out to shiver till its fleece grows again.

The normal history of a Provincial contract is this: two years of screwing and saving and postponement of work, two years of resumed energy on a normal scale, and one year of dissipation of balances in the fear that if not spent, they will be annexed by the supreme Government at the time of revision. Now all this is wrong, not to say demoralising."

Under such conditions and when such curtailments of Provincial means are carried out *every fifth-year*, what prospect can there be of steady, solid, continued progress in the Provinces? Surely there is force in this criticism on these revisions, that the Supreme Government does not always adequately realize its responsibility for Provincial progress, in which it ought to feel as much interest as the Provincial Government themselves, if not more.

Both Sir D. Barbour and Sir A. Colvin are in favour of longer terms being allowed for these settlements. The Mayo-scheme of 1870-71 was in the nature of a permanent arrangement and did not prescribe any definite duration for these Provincial Contracts. It was in 1877-78 that definite terms were fixed and the settlements made in that year were all so arranged as to terminate at the end of 5 years. Ever since quinquennial contracts have been the rule.

There is yet a further liability imposed upon the Provincial Governments which is however a common incident of the system. In cases of abnormal pressure such as war, the Central Government has the power to demand special contributions from the Provinces. In Switzerland such power is reserved to the Federal Government in its relations to the Cantonal Administrations.

In India, however, the existing reservation goes much further and contemplates special contributions even in cases of ordinary emergency. In the Mayo-scheme, the reservation was explicitly made of power to modify the resources granted to Provincial Governments in the event "of some fiscal misfortune such as a heavy loss in the opium revenue or national disaster such as war or severe famine." In 1881-82 Lord Ripon's Government repeated the reservation and in much more explicit terms, and declared: "That the Imperial Government will make no demand on them (*i. e.* Provincial Governments) except in the case of *disaster so abnormal as to exhaust the Imperial reserves and resources and to neces-*

sitate a suspension of the entire machinery of Public improvement throughout the Empire." The reservation so made was one to which no exception could be taken, and was in accordance with the practice of Federal Governments. The Secretary of State, however, considered such qualified reservation inexpedient, and suggested that in all cases of emergency "the Provincial Governments should be liable to be called upon to contribute towards meeting the necessities of the Empire." In 1886 the India Office repealed the suggestion; and the reservation, as it is now in force, is in the sense of this suggestion of the Secretary of State, and largely in modification of the declarations of Lord Ripon's Government in this regard. Accordingly on three distinct occasions, since then, such contributions have been levied even in view of ordinary deficits and under circumstances which did not admittedly amount to any such "abnormal disaster" as was contemplated in Lord Ripon's resolutions. The liability of Provincial Governments to give special assistance in case of emergency when so interpreted and defined, goes clearly much further beyond what is right and necessary under the conditions, and is opposed to both the theory and practice of Federal Governments and furnishes to the Central Government a financial reserve expedient to which rather than enforce economy and avoid a policy of adventure, it could securely resort in case even of ordinary embarrassments.

Further, these special contributions are levied on no just or well-defined principle and much injustice is done as between one Province and another, and it not unfrequently happens that Provincial Governments which carefully husband out their resources and exercise economy have to pay more than those which do not; and economy is thus penalized.

Such is our existing system of our Provincial finance. Its main features may be thus summarised:—

(1) The proportion of National Revenues allotted to Provincial uses is too small and utterly inadequate for local requirements.

(2) While the revenues of the country are expanding, the Provincial Governments get no fair share of such increase for purposes of Local improvements.

(3) The Provincial assignments already so meagre are further liable to curtailments on revisions in favour of the

Imperial revenues every 5 years. Financially, these settlements have all the evil effects of short-terms settlements—taking away all certainty and stability from Provincial administrations and leading to waste and dissipation on the one hand, and seriously interfering with the even progress of Provincial improvements on the other.

(4) The Provincial Governments are, besides, liable to make special contributions even during the currency of such short-term Contracts and that too, in cases of ordinary emergency—a feature of the present arrangements which imports a further element of uncertainty into Provincial finance.

The whole theory underlying the system is that the revenues of the country—far from belonging to the Provinces which raise them, available for their own requirements, subject of course to the claims of the Central administration, to be met by proportionate contributions, fixed on some definite principle of population or revenue—constitute a common fund to be absolutely at the disposal of the Central Government out of which it is to dole out what amounts it pleases for Provincial services, and that the Provincial Governments are only its agents, entrusted with a share of the general work. The financial administration of India has to be taken as a whole and "we cannot break up the system into financially separate Provinces and make these Provinces independent contributories to a Central account" (Sir J. Westland's Financial Statement 1896-97); Provincial administration is but a subordinate affair and Provincial progress an object of comparatively minor importance.

A system of Provincial Finance conceived in such a spirit and so constructed can never be expected to succeed and a study of the results of its working during the past 25 years will show how it tends to obstruct Provincial progress on the one hand and cause waste and dissipation on the other. These results may be thus summarised.

(A) *The Mayo-scheme of 1870-71.*

The measure was inaugurated as a measure of economy. The services transferred were settled as being especially liable to expand *viz.* Jails, Registration, Police, Education, Medical services &c. Expenditure, on all these services was 5·1 crores in 1863-64, and during the 4 following years it continued to rise until in 1868-69 it amounted to over 6 crores. In 1869-70 it

was nearly the same, but in 1870-71 (after determined efforts) was brought down to the level of 18 3-64 (*i. e.* 5·3 crores). The grants for 1870-71 were taken as the basis on which to fix the Imperial allotment for the services and the start was made with a reduction in the assignments, below the standard expenditure amounting to £331,000. The assignments so fixed over 6 p. c. below the normal level were not to be increased for a number of years. The result was that at the end of 5 years the charges for the assigned services rose only by 20 lakhs for all India, or at the rate of only 4 lakhs a year—even including such services as Education and Medical Relief.

(B) *The Strachey-scheme of 1877–78.*

A large advance was made in financial Decentralization; additional heads of charge were handed over to Provincial management and besides a fixed Imperial allotment in aid of Provincial Expenditure, certain sources of income, reserved as Imperial, were given over for Provincial use. The resources, so assigned, however, were 5 p. c. lower than the Provincialized Expenditure—a difference which the Provincial Governments were to make good out of their own resources. The Imperial gain on the new Contracts was full 40 lakhs, Bombay particularly being most hardly treated. During the Afghan-War, the Imperial Government levied from the Provinces about 67 lakhs as a special contribution. The Contracts were declared to be quinquennial, and power was reserved on expiry of the term to revise these agreements and appropriate to Imperial purposes even a portion of the Provincial increases of revenues, which might have accrued during the currency of the contracts.

Madras declined to accept the new arrangements and preferred to continue under the old Mayo-scheme. As regards the other Provinces, the resources so cut down had the necessary effect of throwing back Provincial progress. In Bombay during the 5 years of the Contract, we could increase our expenditure on our local services at the rate of no more than 3 lakhs a year for the whole Presidency including Sindh. Assam and Burma were worse off. The Central Provinces, Bengal and the N. W. Provinces fared much better. But all round, as a necessary result of the revision and the curtailment of Provincial resources, a check came to be imposed on the growth of Provincial Expenditure; and Provincial improvement was seriously retarded. The total expenditure on education, for instance, rose from 73·8 lakhs in 1877–78 to 99 lakhs in 1880–81—an increase of only 26 lakhs for all India, including Madras.

(C) *The Ripon-scheme of 1881–82.*

Provincial Finance received a fuller development. The revision of the Contracts was carried out in a liberal spirit. The old system of fixed Imperial allotments was done away with and the Provincial Governments were allowed a share in the general Revenues equal in amount to their Provincialized expenditure. This very much improved their position in the general scheme and gave them a direct interest in both Revenue and Expenditure. No part of their increases of revenue during the preceding 5 years was annexed for Imperial purposes; on the contrary the poorer Provinces like Assam and Burma received additional grants from the Imperial Exchequer (*Vide* tables B and C).

The Provincial Governments had thus a fair start with a total Revenue of 16·3 crores and balances aggregating 3·5 crores and with an Expenditure slightly in excess of the Revenue (*i. e.* 16·8 crores). In three years since they were able to raise their income to 17·5 crores and convert the initial deficit into a substantial surplus. The improvement in their position continued to the end of the quinquennium, when their Revenue stood at 18·2 crores against an Expenditure of 18 crores leaving a surplus of 17 lakhs. The Balances, however, fell from 2 6 crores to 2·1 crores, mainly owing to the special contribution of 40 lakhs in 1886–87. All the Provinces except the Central Provinces, where the Revenue was largely in defect of the Expenditure, shared in the general improvement.

As a net result we had:—

Increase of Revenue	1·8 crores
,, ,, Expenditure	1·0 crore
Net Surplus	79 lakhs.

(D) *The Revision of the Contracts 1887.*

No great change was made in the general conditions of Provincial Contracts, but a large curtailment of Provincial

Resources was effected on Revision so as to secure relief to the Imperial Finances. No less than 65 lakhs out of the Provincial surplus revenue of 79 lakhs was the amount resumed for Imperial purposes. Bombay fared worst—being deprived of full 22 lakhs of her Provincial increase; N. W. Provinces lost as much as 10 lakhs, and Bengal an equal amount; even the Central Provinces, where the Revenue showed a positive increase, were mulcted to the extent of 1½ lakhs;—the hard necessities of the Imperial Treasury on account of Burma and other causes were pleaded in excuse for such a large resumption of Provincial surpluses and the Provinces were started on a fresh quinquennium with considerably reduced resources. They had to begin with a total revenue diminished from 18·2 crores to 17·5 crores and an expenditure curtailed in like proportion. This time again as during the previous quinquennium, they took full 3 years to restore their financial position to the level of 1886–87, and with strenuous efforts during the two following years, they succeeded in securing a respectable balance-sheet with a total Revenue of 20·8 crores and an Expenditure of 20·4 crores and a clear surplus of 42 lakhs.

The net result of the five years' working of the Contracts was:—

Increase of Revenue...	3·3	crores
,, Expenditure.	3·8	,,

In 1891–92 the position stood as

Revenue	20·8	crores
Expenditure	20·4	,,
Net surplus... ...	42	lakhs.

But it has to be remembered that the position was reached after 3 years of trial and struggle. The movements to and fro were most inconvenient and necessarily caused waste—parti-

cularly in the Public Works Department. All the Provinces shared in the general expansion of both Revenue and Expenditure.

(E) *The Revision of the Contracts 1891–92.*

Considerable re-adjustments were made in the assignment of both Revenue and Expenditure heads of accounts, with the result that as much as 46 lakhs was resumed by the Imperial Government for its own uses, out of the Provincial increases of Revenue. Bombay was stripped of more than half her net Provincial increase (13 lakhs). Madras lost about 10 out of her increase of 14 lakhs. Punjab and the N. W. P. were treated somewhat better. Burma was treated as a favoured Province and was allowed to retain most of its increase; but as a general result of the revision the Provinces found their revenues most inconveniently diminished and had to enter upon their fresh term of Contract with more or less deficits to provide for. In the first year of the Contract they had a Revenue of 19·5 crores against an Expenditure of 19·8 crores, showing an aggregate deficit of no less than 26 lakhs. Punjab was worst off with a heavy deficit of 10 lakhs. During this period, again, they had to make strong efforts to recover their lost position at the beginning of the Contract and at the end of four years were just able to show a total Revenue and Expenditure equal to what they had in 1891–92.

The result of 4 years' working may be shown thus :—

	1891–92	1892–93	1895–96	
Revenue	20·8	19·5	20·8	crores
Expenditure	20·4	29·3	20·3	,,

The position thus at the end of 1895–96 was just the same as in 1891–92 with a considerable deterioration at the beginning of the new quinquennium and the provinces stood where they had been 4 years previous—a result which clearly shows how the existing system is utterly incompatible with steady continued progress in Provincial improvement.

A net result of 14 years working of the contracts since 1882–83 was as under :—

TABLE C.

Rx. 000s omitted

Province Popu. in millions.	1882-83.		Closing balances.	1895-96.		Closing balances.		
	Rev.	Expend.		Rev.	Expend.		Increase Rev.	Increase Expend
Central Provinces Pop.—10·7 mill.	733	699		823	803		89	104
Burma ... 4·6 mill.	1,151	1,320		2,207	1,981		1056	661
Assam ... 5·4 mill.	423	348		669	639		243	291
Bengal ... 71·3 mill.	4,083	4,600		4,585	4,435		499	-165
N.W. P. & Oudh. 46·9 mill.	2,881	3,037		3,166	3,306		285	269
Punjab ... 20·8 mill.	1,352	1,493		1,778	1,785		446	292
Madras ... 35·6 mill.	2,305	2,234		3,295	3,251		990	1,017
Bombay ... 18·9 mill.	3,399	3,500		4,280	4,179		881	679
Total...	16·334	17·235	2·126	20·806	20·382	2·162	4·472	3·147

General result :—

Revenue increase 4·4 crores } during 14 years
Expenditure ,, 3·1 crores } 1882-83—1895-96.

The increases are distributed as under :—

	Revenue.	Expenditure.	Surplus+ Deficit—
Central Provinces. Pop. 10·7 mill.	89	104	-16
Burma ... ... Pop. 4·6 mill.	1056	661	+395

Assam ... ... Pop. 5·4 mill.	243	291	−58
Bengal ... ... 71· mill.	499	−165	+664
N. W. P. & Oudh. 46·9 mill.	285	269	+16
Punjab ... ... 20·8 mill.	446	292	−154
Madras ... ... 35·6 mill.	990	1,017	−27
Bombay... ... 18· mill.	881	679	+202

Inequalities of growth of Revenue and Expenditure as between Province and Province are great. Burma and Assam stand out as favoured Provinces. Madras comes next, but Punjab and the N. W. Provinces with a total population of 67 millions show only 73 lakhs of increase of Revenue balanced by 56 lakhs of Expenditure during 14 years as against 140 lakhs of Revenue and close on a crore of Expenditure for Burma and Assam with their aggregate population of 10 millions. Bengal with her 71 millions shows an increase of but 50 lakhs and an absolute diminution of Expenditure to the extent of 16 lakhs.

But apart from these inequalities as between Province and Province, the general result of 14 years working of the Contracts strikes us as on the whole, a disappointing result, the Provincial expenditure showing an increase of just 3 crores. The total expenditure on Education shows an increase of but 39 lakhs for all India during 14 years; whereas Political Expenditure beyond the frontiers has been added to by 55 lakhs!

But even this meagre increase of Provincial Expenditure—which measures Provincial progress in administrative and material improvement—has not been steady or continuous.

Every time the Contracts have been revised—except in 1882-83,—the revision has resulted in diminution of Provincial resources; the hands of the clock have been set back and Provincial work has been retarded; and these movements inseparable from the existing arrangements—to and fro—have not been without their inevitable effect in causing dissipation and waste of funds and energy. During the period so much uncertainty has surrounded the Financial position of the Provinces that nowhere do we find any large scheme of Provincial improvement set in hand; all over we have the same cry—want of funds—we have not had money enough for Education or Medical Relief, or for Administrative improvements in the Judicial and Police Departments. On the other side as far as the Imperial Government is concerned, 120 lakhs have been securely added to the Imperial Finances, at the cost of the Provincial, besides 10 crores and more of general increase of revenues, so that the Supreme Government has been able to add 6 crores to its Military Budget and embark in an extensive programme of Railway construction. The position thus is very unequal as between the Central and Local Governments and is one indication of the fact that the Imperial Government is not fully alive to its obligations in respect of Provincial and Local progress.

View it as we may, the existing system of Provincial Finance must be admitted to have been a failure and a thorough recasting of the arrangements is necessary without which the foundation of Provincial progress must ever remain insecure. The following suggestions may be ventured on in this respect:—

(1) The Provincial Governments require a larger proportion of general revenues than is at present permitted to them.

(2) They should further be allowed to share in fair and just proportions in the normal increase of National Revenues.

(3) The revisions of Contracts which exercise a most disturbing effect in the general Provincial position

should be either done away with as a normal feature of the Provincial system, or at all events, the terms of Contracts should be longer than 5 years—say 10 years as Sir A. Colvin once recommended.

(4) The revisions ought not to be followed as a rule without reference to the general financial position of the country by curtailments of Provincial resources; the Provinces should be allowed to retain their own increases of Revenue.

(5) Special contributions from the Provinces ought to cease except under circumstances, contemplated in the Ripon resolutions of 1881-82.

And the whole arrangement ought to be guided by the central idea that the Imperial Government is as much interested in Provincial progress as the Provincial Governments themselves.

THE LATE MR. JUSTICE RANADE.*

A TRIBUTE TO HIS MEMORY.

न हि सत्यात् परो धर्मः।

Mr. President and Gentlemen,—This day five years ago, the late Mr. Justice M. G. Ranade passed away from amongst us—Ranade the good, Ranade the selfless,—and the people mourned his death as a national loss. It was felt from one end of the country to the other that a light went out—strong, bright and pure—the radiance of a prophetic vision and beneficent purpose, and that a life ended—simple and sacred—a life of remarkable grandeur and beauty dedicated to high aims and strenuous endeavours. Five years have since rolled by—how fast time flies!—and this is the fifth anniversary of the mournful event. There is a deep solemnity in the occasion which must impress us all. It is the anniversary of the death of a great leader of commanding genius and saintly virtues, under whose banner we were so proud to march and whom we followed for so many years with a trust and faith such as but few could inspire and with a reverence which still hushes us in the presence of his memory; and we are here assembled to render homage to his departed spirit, to the cause he so long and so worthily championed, and to the eternal principles of truth and justice, freedom and equality which he made it his life's endeavour to inculcate and enforce. The day so set apart for the celebration serves to lift us for once at least in the course of the year out of the humdrum routine of daily life—its never-ending cares and concerns—to a serener height at which we may contemplate the life and life-work of our departed friend and guide, the lofty ideal for which he worked, and the lines on which he worked—and derive from such contemplation fresh inspiration and hope for the future.

Such celebrations in honour of the departed great—the immortal dead—are among the most solemn of public functions—alike inspiring and elevating; and the public cannot be sufficiently grateful to the Committee of the Hindu Union Club holding this anniversary.

* This paper was read at a meeting of the Hindu Union Club, Bombay, held on January 21, 1906, to celebrate the fifth anniversary of the late Mr. Justice Ranade.

The late Mr. Justice Ranade was undoubtedly one of the greatest and most representative Indians of his time. He was a distinguished scholar, a profound thinker, and a philosophical writer. As a leader of thought he had perhaps no equal. He served Government in various capacities for many years—rising from the tutorial chair at College to the Bench of the High Court, and rendered eminent services to the country. But it was as a reformer and a reform-leader that he held the commanding position he did in the public life of his country, and it was his reform work—so rich in its permanent results to the cause of national progress—which must constitute his chief title to the loving gratitude and veneration of his countrymen. It is therefore to this side of his labours that I propose with your permission to address myself on the present occasion.

In this field of effort the late Mr. Justice Ranade occupied a foremost place and enjoyed undisputed pre-eminence. India had no greater worker, no abler or more zealous champion of her cause. His splendid talents, his unrivalled attainments, his learning, his scholarship, his balanced mind, his clear judgment, his capacity for comprehensive views, his indomitable energy and his indefatigable industry marked him out as a leader of men; while his high character, his absolute honesty of purpose, his boundless patriotism, his lofty ideals, his moderation, his patience, and his exalted sense of duty —which never swerved from its task and knew no aim save that of serving his country—inspired confidence, and won for him the enthusiastic attachment and devotion of his fellow-workers and followers. For full thirty years and more, he was in the very forefront of our national life—doing his work, and in his own way. And his work was unceasing—embracing in its wide range the entire field of our national activity; and it would not be too much to say that there was hardly a reform movement in the country or even a forward effort with which he did not associate himself, or which he did not in some way actively promote. Altogether during all these years, he stood on a plane of his own, unsurpassed or even unapproached in its elevation—almost, in lonely grandeur—far above the vulgar tumults and the petty conflicts—the smaller passions and the meaner impulses—of the world around him—unremitting in his exertions to lift his countrymen out of their ignorant prejudices, their grovelling superstitions, and their degrading practices, to a higher platform of life. There is a moral grandeur in such an active career of public usefulness which we can only look on

with admiration and wonder and which must place the illustrious worker high in the roll of glory; and his work so splendidly done is now part of our national history—a cherished possession.

And in this connection it may be remarked that Mr. Justice Ranade did all this work not simply from patriotic motives but as religious work and with religious zeal. With him life was a duty—a holy gift of God—to be religiously employed in His service. The Hon'ble Prof. Gokhale, speaking from this platform some years ago on a similar occasion, observed—"the first thing that struck any one who came in contact with Mr. Ranade, as under-lying all his marvellous personality, was his pure, fervent, profound patriotism." Mr. Ranade was no doubt a most zealous and devoted patriot; he loved India with an intense and passionate love and laboured all his life for her welfare. But to my thinking he was much more than a mere patriot or nationalist. His sympathies and views were broader, and he followed a higher ideal. He was one of the most religious of men, and what most struck and impressed me during my association with him was his simple, exalted and fervent piety. He always seemed to feel that he was in the presence of the Almighty a humble servant doing his appointed task as best he could, and with the light of faith that was vouchsafed to him. He viewed things with the eye of faith and saw God everywhere. He saw Him in Nature, in Human Life, and in Human History. He traced His hand in every movement of the grand drama of the World's life, and looked on the solemn march of events as but a fulfilment of His Providential purpose. Moreover, he was a firm believer in the moral Government of God, in the justice, beneficence and mercy of Heaven. He had, in the language of Wordsworth:—

> "an assured belief
> That the procession of our fate, howe'er,
> Sad or disturbed, is ordered by a Being
> Of infinite beneficence and power;
> Whose everlasting purposes embrace
> All accidents, converting them to good."

Besides, Mr. Ranade had a profound religious conviction—a conviction based on a critical survey of History—that India was the Promised Land and that the Indian people were God's Elect—the Chosen People—marked out for special divine favour. And

it was this conviction that inspired and hallowed his life-long work in her service. It supported and sustained him in his firm faith in her future, and in her high destiny, and never—not even in the darkest hour—did he despair of her. Her past and present misfortunes were to his mind only a hard course of discipline and constituted a necessary moral preparation for her destined task. And he believed that, in the fulness of time, and when the discipline was complete, she would once more be permitted, under the Providential scheme of human evolution and progress, to resume her proper place in the van of the world's life, and her high task, entrusted to her. And he looked on the British connection as a Providential arrangement under which the training of the nation in the higher virtues continued under the most favourable conditions. A few quotations from his Social Conference addresses in this connection would not be without interest. Speaking at Lahore in 1893, he said:

"I profess implicit faith in two articles of my creed. This country of ours is the true Land of Promise. This race of ours is the Chosen Race. It is not for nothing that God has showered His choicest blessings on this ancient land of Arya-Varta. We can see His hand in history." "The history of this great country," he said at Allahabad, "is but a fairy tale, if it does not illustrate how each invasion from abroad has tended to serve as a discipline of the chosen race and led to the gradual development of the nation to a higher level, if not of actual facts—at least of potential capabilities. The nation has never been depressed beyond hopes of recovery, but after a temporary submerging under the floods of foreign influences, has reared up its head, absorbing all that was best in the alien civilizations and polity and religions." And he added:

"Above all the countries, we inherit a civilization and a religion and a social polity which has been allowed to work their own free development in the vast theatre of time. There has been no revolution and yet the old condition of things has been tending to reform itself by the slow process of assimilation. The great religions of the world took their birth here, and now they meet again as sisters prepared to welcome a higher dispensation which will unite and vivify all. India alone among the countries of the world has been so favoured, and we may derive much strength and inward hope from such a contemplation. Change for the better by slow absorption, by assimilation, not by sudden conversion or revolution, this has been the characteristic feature of our past history. We have outlived

Buddhism and we conquered it by imbibing its excellences and rejecting its errors. We have outlived Mahomedan repression and have conquered it by being the better for the hard discipline in the suffering we went through under its domination." Speaking of Mahomedan rule at Lucknow in 1900, he said, "there are those amongst us who think that this predominance has led to the decay and corruption of the Indian character, and that the whole story of the Mahomedan ascendency should for all practical purposes be regarded as a period of humiliation and sorrow. Such a view however appears to be unsupported by any correct appreciation of the forces which work for the elevation or depression of nations. It cannot be easily assumed that in God's Providence such vast multitudes as those who inhabit India were placed centuries together under the influence and restraints of alien domination, unless such influences and restraints were calculated to do lasting service in the building up of the strength and character of the people in directions in which the Indian races were most deficient." The Mahomedan contact brought about a fusion of thoughts and ideas which benefited both the communities, making the Mahomedans less bigoted and the Hindus more puritanic and more single-minded in their devotion." The work of fusion however was left incomplete owing to the revival of fanaticism under Aurangzebe; "and in course of years, both the communities have developed weaknesses of a character which still need the disciplining process to be continued for a longer time under other masters. Both Hindus and Mahomedans lack many of those virtues expressed by the love of order and regulated authority. Both are wanting in the love of Municipal freedom, in the exercise of virtues necessary for civil life and in aptitudes for mechanical skill, in the love of science and research, in the love of daring and adventurous discovery, the resolution to master difficulties and in chivalrous respect for woman-kind. Neither the old Hindu nor the old Mahomedan civilization was in a condition to train these virtues in a way to bring up the races of India on a level with those of Western Europe. And so, the work of education had to be renewed and it has been now going on for the past century and more under Pax Britannica with results which all of us are witnesses to in ourselves." All the changes of the Past "have been brought about consciously or unconsciously without any violent struggle and without breaking up the continuity of the old life. If the

guiding hand of God in History has so favoured us hitherto, why should we despair now when we have been brought under influences of a still more elevating kind?"

The late Mr. Justice Ranade was no inspired prophet or seer; but he had such faith and hope; and it was with such faith and hope that he did the work he did all his life. India was to him the promised land of the future, destined to play a most exalted rôle in the world's advance; and her progress in its varying phases was a matter of supreme and vital importance not only to us but to the world. Here, under a Providential arrangement, a whole nation was placed in *statu pupillari*—subjected to a lengthened course of training in the needful virtues—in the hard school of adversity and misfortune, and surely it could not be all for nothing. If it were, the moral Government of God would be a myth, and Human History, an idle drama without meaning or moral interest. What was the exact function in the Providential Scheme for which India was under such discipline, lay of course hidden from our view; but that there must be some such purpose in the Providential ordering of events, Mr. Ranade had not the slightest doubt. Indian reform work was thus holy work; and he exhorted the Indian workers to regard their efforts from this higher point of view and rise to the level of their duty and opportunities. The cause of India was the cause of Humanity; and service rendered to her was service rendered to Human Progress; and thus the Indian worker's mission was no mere restricted mission of a patriot or nationalist with his horizon limited to his land of birth, but was a far higher and nobler mission—which was no less than to assist in the advancement of the whole human race. And Mr. Ranade held that whoever did any the slightest thing to hinder, obstruct or otherwise disturb the stately march of India's progress, offended alike against the purposes of Providence and against the highest interests of Humanity. Indeed, it was to his mind a high privilege to be permitted to labour in such a cause, and no care and no caution and no circumspection exercised and no devotion shown in the prosecution of such labours could be too great.

It has been said that with all such views and ideas Mr. Justice Ranade did not found a party or a sect. Most certainly it was no part of his programme to attempt anything of the kind. Divisions and splits, schisms and secessions, parties and factions, this has been our most crying evil for centuries. India has suffered from this evil as no other country

has suffered; and far from adding to or aggravating it, it behoves every friend and well-wisher of the country to do all in his power to reconcile the conflicts and compose the strife where it exists and to restore unity and peace to the land. In India, properly speaking, we have but one school of reform and progress, which came into existence with the labours of Raja Ram Mohan Roy in the early years of the past century and we have *no other*. And it was to this school that Mr. Ranade belonged and was proud to belong. But while remaining within this party, it was Mr. Ranade's supreme effort—the one effort of his life to which he directed the full force of his mind and energy—to reconstruct it on a broader basis and through it, to unite all India in a common endeavour to overhaul and recast the entire fabric of her national life in a new and improved mould so as to bring it more into harmony with the final end to be reached and its altered environment. All Indian reformers in Mr. Ranade's view formed one vast Brotherhood—one broad Church—with a common aim and a common programme; and there should be but one reform party in the country—with one flag, one life and one end.

As regards reform work generally, Mr. Ranade held the view that scattered, local, isolated efforts, however useful each in its own way, would not of themselves suffice and besides involved waste of energy for want of inter connection. The work would be more effective if it proceeded in a more systematic way and on more extended lines. Every department of the national life of the country needed upheaval and change, religious no less than social and social no less than political, and the old underlying order of ideas must give place to a new and healthier one. Political, social, religious, industrial reforms, all these and like movements represented so many necessary sides of a grander movement, and as being essentially interdependent, ought to proceed on converging lines of advance mutually supporting and supported. And he considered that these various efforts and movements required to be re-organised and co-ordinated under a higher scheme of work.

Accordingly Mr. Justice Ranade's reform work extended to every part of the national field and it lay on three distinct lines, and may be thus summed up:—

(1) Re-organization of reform effort;

(2) Co-ordination of the various reform movements; and

(3) Direct reform work.

(1)—As regards re-organization of reform efforts,—it was laborious work, but presented no insuperable difficulty. The necessity for such re-organization was generally recognized, and there was all over the country more or less a strong tendency to consolidation and unity. The work had only to be taken in hand and in a proper spirit, and vigorously pushed on. The Indian National Congress was the first central organization of the kind so built up with a view to focus and systematize political efforts: and it is well-known that Mr. Justice Ranade had a prominent share in the work. The social reform movements were similarly consolidated a little later and the Indian Social Conference was almost entirely Mr. Ranade's work. So, again, the Industrial Conference recently held at Benares was practically the realization of his idea.

(2)—Next as to co-ordination work,—the work of co-ordinating the various reform movements—the task was one of formidable difficulty. The inter-dependence of the various lines of reform was not so obvious; and workers and working associations in the country could not easily be brought to see eye to eye on the point. Those who went in heartily for political change could not be persuaded of the necessity or desirability of the vast social changes which were advocated. Nor was it very clear what inter-dependence there could be between these and the Industrial revival the country required. Mr. Justice Ranade, however, stuck fast to his colours, and did his best to bring his countrymen to recognize the justice and reasonableness of his view as to the inter-dependence of the various movements of reform; and if he did not succeed in the matter, it was not due to any lack of earnestness or zeal in his advocacy. The whole position was elaborated, argued and re-argued, in a series of inaugural addresses which he delivered at the various meetings of the Indian Social Conference; and these addresses develop a theory and a scheme of Indian reform, which leave nothing to be desired in point of comprehensiveness.

All that Mr. Ranade was able to do in this direction,—and it was no inconsiderable achievement—was to give the Reform party in India—

(1) A new hope,
(2) A clearly enunciated doctrine,
(3) A higher ideal of national elevation, and
(4) An extended programme.

(1) As to the new hope, it rested as remarked before on the idea that India was the coming Promised Land of the future, and constituted practically a new gospel for the Reform party. India—ancient India, the land of the Rishis and the Acharyas, of the Upanishads and the Bhagwatgita—was one of the most progressive countries of the world, fulfilling a grand rôle in the vanguard of human advance. Since then, however, there has been a seeming retrogression and the period has been to us a prolonged period of trial and training—a necessary probation. The probation over and the needful discipline completed, History warrants the anticipation that the country would once more be in her old place amongst the nations of the world, and entrusted with even a higher task than in a former age.

(2) As regards the doctrine of reform, it was no new doctrine that Mr. Ranade preached, but it received at his hands a clearer definition and a more emphatic enunciation. What India required under modern conditions was, he held, a comprehensive reform, not a mere revival or a revolutionary change, but a *thorough remoulding of the entire life of the nation*. The old moulds have outlived their usefulness and would no longer do.

In an old country like ours where even with our chequered history we have had our periods of normal growth and progress, there must necessarily be many things which deserved to be revived—such for instance, as the freer social polity of the Vedic times, the purer theism of the Upanishads, the lofty morality of the Bhagwatgita, the ancient rules regarding education and marriage, &c. &c. But taking things as a whole, Mr. Justice Ranade did not think that the plan of revival would suit us or work out our salvation. The old usages and customs long since discarded could not well be revived, and even if revived would not well fit in with our altered environments.

And besides, it was well worth remembering that in the case of a living organism like human society, the law that applied, was the law of growth and evolution. In politics no one would now advocate a return to the autocracies and personal despotisms of former days; nor again in the industrial sphere, would it do to stick to the old primitive methods in our attempts to improve the old or start new industries. So, too, neither in the social sphere would mere revival meet our requirements.

Nor again could we go in for revolutionary or radical changes. The whole course of our history, Mr. Ranade held, was against such changes. During so many centuries of foreign conquests and domination, never, even once, was the continuity of our old life broken. By assimilation and expansion we were able to adapt ourselves to our changed circumstances. Our nation had shown wonderful elasticity in the past and there was, in Mr. Ranade's opinion, no reason to fear for the future, in this regard. Besides our past was a "rich inheritance" and we ought not to break with it altogether. The reformer in India had not a clean slate to write on; and his task was "*to produce the ideal out of the actual—and by the help of the actual.*"

Reform, true reform, was what we needed; and in his inaugural address at the Social Conference at Allahabad in 1892, Mr. Justice Ranade defined the new social moulding and modelling that we all desired in the interests of the progressive advancement under the changed conditions of British rule and Western contact in these terms :—

"The change which we would all seek" is a change

from *Constraint to Freedom*
,, *Credulity to Faith*
,, *Status to Contract*
,, *Authority to Reason*
,, *Unorganized to organized life*
,, *Bigotry to Toleration*
,, *Blind fatalism to a sense of human dignity.*

"This is", said Mr. Ranade, "what I understand by social evolution both for individuals and society in this country."

And this is the evolution that we seek. The aim should be a *freer* growth for the individual, and a *fuller* and *larger* expansion and development for the nation. A social system, which tended to dwarf the individual citizen and hinder his development in various ways, weakened the vigour of the national conscience and checked the free play and access of light and movement, must end in disaster, and no nation which permitted such dwarfing and stunting of the individual would ever be able to rise to any higher level of life. The ancient societies sacrificed the individual to the State and India was

no exception. As the Hon'ble Mr. Justice Chandavarkar pointed out in his eloquent and thoughtful address at Benares last month, our old Rishis and Acharyas saw the evil and felt the necessity in their laws and injunctions of safeguarding the proper training and unfettered growth of the individual citizen. But the spirit of their wise provisions was soon lost sight of and the tendency re-asserted itself with the result that the individual citizen in India had no freedom of growth and no opportunity to rise to the full height of his stature; and the aim of social change must therefore be (said Mr. Ranade at Calcutta in 1896,) "to renovate, to purify and to perfect the whole man by liberating his intellect, elevating his standard of duty, and developing all his powers." "Till so renovated, purified and perfected, we can never hope to be what our ancestors once were, the chosen people to whom great tasks were allotted and by whom great deeds were performed."

Here it may be noted that in Mr. Ranade's view it was essential that such work of renovation and reform should extend to and embrace every branch and side of the nation's life. Political, social, religious, economic reforms all should go hand in hand, on converging lines. The goal to be reached is the same and the movement of emancipation and upheaval must be a general movement, co-ordinating and systematizing and harmonizing the efforts throughout the country and bringing the workers together on a common national platform.

(3) As regards the ideal, in the same address Mr. Ranade stretched out the ideal in these eloquent words:—

"With a liberated manhood, with buoyant hope, with a faith that never shirks duty, with a sense of justice that deals fairly with all, with unclouded intellect and powers, fully cultivated, and lastly, with a love that over-leaps all bounds, renovated India will take her proper rank among the nations of the world and be the mistress of the situation and of her own destiny. This is the goal to be reached, this is the Promised Land"; and he added, "Happy are they who see the distant vision, happier those who are permitted to work and clear the way on to it, happiest they who live to see it with their eyes and tread upon the holy soil once more." On another occasion he said, "We must all feel the dignity of our being and the high destiny of our existence, taught to love all, work with all, and feel for all."

(4) As regards the programme of work:—Mr. Justice Ranade repeatedly pointed out the inter-connection and the inter-dependence of the various sides of the reform movement and urged the importance of a *simultaneous advance all along the line*. "You cannot have (he said at Satara in 1900) a good social system when you find yourselves low in the scale of political rights; nor can you be fit to exercise political rights and privileges unless your social system is based on reason and justice. You cannot have a good economical system when your social arrangements are imperfect. If your religious ideals are low and grovelling, you cannot succeed in social, economical or political spheres. This inter-dependence is not an accident, but is the law of our nature."

Next as to the agencies to be availed of for purposes of such work—Mr. Ranade thought that advantage should be taken of every agency available, the individual workers, the special associations, the old organizations in the country—religious and other. Mr. Justice Ranade went a step further and pleaded for State-help in various directions in respect of such work. The State represents the collective strength of the community; and the late Mr. Justice Ranade saw no reason why its support and aid should be withheld from such popular efforts. The *lessez faire* theory of State functions never found favour with him; and he always looked on the state as the rational organ for national purposes in cases in which individual and co-operative popular efforts were not likely to be effective. To relegate the State to the simple duty of maintaining peace and order was in his opinion to deprive the community of many of the advantages of the social union.

Such was in broad outline what may be designated the Ranade scheme for the Reform party in India. It was a scheme, at once bold, grand and comprehensive, conceived by a mastermind and as such, deserving of the best consideration the nation could give to it.

(3)—Lastly, as regards the late Mr. Justice Ranade's direct share in reform work, generally speaking, there was not a single large effort in the country in respect of which his assistance was not eagerly sought and cheerfully rendered. His advice and guidance was ever at the service of all workers in the field. Whether there was a political movement to be initiated, or a political question discussed, or whether an economic change had to be considered or some new industry

started, or whether a reform meeting had to be organized or a widow-remarriage to be celebrated, he was ready to give what help it was in his power to render. Nor, while on this point, can I resist the temptation of referring to his religious Sunday discourses at the Prarthana Samaj at Poona. These discourses, it was simply a privilege to listen to; they were simple, earnest, impressive, every word instinct with lofty religious sentiment and contained a most eloquent exposition of the higher theism he preached; and in this, he placed himself in line with the great popular expounders of the Bhagvat Dharma.

Here I would conclude.

The Hon'ble Mr. Ranade was one of our greatest reform workers and his work was many-sided work, carried on on a most comprehensive plan and along varied lines of activity, and carried on for more than thirty years, with a zeal and a devotion and a singleness of purpose which nothing could surpass. We had no grander or nobler figure in our recent history. He represented our highest ideas and our deepest aspirations; and the principles for which he laboured—and laboured so long—must triumph in the end. There is already a general awakening throughout the country, full of hope for the future, a growing consciousness in the popular mind of a new greatness, a new national destiny, an instinctive prevision of the coming of a brighter era. And this is the message to us of his life-long labours, to use his own words:—

"The success already achieved warrants the expectation that if we persevere on right lines, the goal we have in view may be attained—that goal is not any particular advantage to be gained in power and wealth. It is represented by the efforts to attain it, the expansion and the elevation of the heart and the mind, which will make us stronger and braver, purer and truer men."

Mr. Justice Ranade is no longer amongst us, to lead and to guide; he

" lives in God
That God, which ever lives and loves,
One God, one law, one element,
And one far off divine event,
To which the whole Creation moves."

But his life-work is there, so rich in its results, so impressive in its moral elevation,—a sacred legacy,—to serve as a beacon-light to inspire and cheer us on our way. Let us assimilate his principles and his teachings, let us hold communion with his blessed spirit, and learn in all humility and lowliness of heart to follow in his footsteps, and labour in the field for the glory of God and for the greater good of our Mother-country and our fellow-countrymen.

अहंकारं बलं दर्पं कामं क्रोधं परिग्रहम् ।
विमुच्य निर्ममः शांतो ब्रह्मभूयाय कल्पते ॥ १ ॥
ब्रह्मभूतः प्रसन्नात्मा न शोचति न कांक्षति ।
समः सर्वेषु भूतेषु मद्भक्तिं लभते पराम् ॥ २ ॥
भक्त्या मामभिजानाति यावान्यश्चास्मि तत्त्वतः ।
ततो मां तत्त्वतो ज्ञात्वा विशते तदनंतरम् ॥ ३ ॥
सर्व कर्माण्यपि सदा कुर्वाणो मद्व्यपाश्रयः ।
मत्प्रसादादवाप्नोति शाश्वतं पदमव्ययम् ॥ ४ ॥

—भगवद्गीता.

FIFTEENTH BOMBAY PROVINCIAL CONFERENCE.

The following Inaugural Address was delivered by Rao Bahadur G. V. Joshi, B. A. President, at the Fifteenth Bombay Provincial Conference held at Dhulia on 27th April to 1st May 1908 :—

Brother-Delegates and Gentlemen—I beg to tender to you my most sincere thanks for the great honour you have done me by inviting me to preside over the deliberations of this Conference. It is a great honour you have conferred on me, but it brings with it a heavy responsibility. And when I call back to mind the long line of distinguished gentlemen who have occupied the chair on such occasions, I confess to an overwhelming sense of my unworthiness ; and I wish—I say this in no conventional way—your choice had fallen on some one abler and fitter to discharge the duties of the position to which you have called me. As it is, however, I must accept the position you have so kindly assigned to me. It is to me a command you have laid on me ; and I feel that when a man is called on by his countrymen to perform a duty, he has no reason and no excuse to suffer his personal feelings and personal inclinations to stand in the way of his responding to the call, and thus I accept your call and bow to your decision. The call comes by your free and spontaneous suffrages ; and while it will be my best endeavour—in however partial a measure—to merit your choice and justify the trust you so kindly repose in me, I feel assured that in the discharge of the responsible and onerous duties of the position I may confidently rely on your cordial co-operation and support.

The last Provincial Conference was held at Surat in the closing week of March 1907 under the presidency of my learned and esteemed friend Sir Bhalchandra Krishna Bhatavadekar. The year that has since elapsed has been unfortunately a year of trials and sufferings. I have first to refer to the two losses we have sustained. News has been received within the last few days of the death of our late Premier Sir Henry Campbell-Bannerman. Sir Henry was one of the most distinguished leaders of the Liberal party. He held a position of great responsibility in more than one Cabinet, and we have to express our humble sense of the loss his death has been to the British

Empire. India mourns his loss not only as a Dependency of the British Empire but on account of her peculiar position. In the coming debates—in the expected debates—on Indian affairs, had Sir Henry lived, his guidance and direction would have been of the greatest value. We have also to mourn the loss of a fellow Congress-worker, Mr. Bhagwat of Karad, who was a very enthusiastic worker in the sacred cause of the country and his loss has been a great loss to the Congress cause.

Generally speaking the past year has been a most trying and anxious year. It has been a year of plague and famine, a diminishing food-supply and a famine level of prices. Plague has been with us these twelve years and more, claiming each year an increasing number of victims and so far baffling all attempts to control its fury and its ravages. And like it, too, famine is becoming a constant visitor. There has been during the last years not a single quinquennium but was marked by periods of crop-failure and consequent distress. Famine is at present raging with growing intensity over an area of about 170,000 square miles, an area larger by far than the area of the United Kingdom—with a population of 54 millions. Over fifteen lakhs of destitute people have already had, through dire necessity, to throw themselves on the charity of the State, while the prices of food stuffs have gone up to a famine level all over the country, causing to the poorer classes an amount of hardship, privation and misery of which we have no adequate conception. The labourers are worse off than ever—and there are numerous classes of them—their scale of wages showing nowhere, except to some extent in the Presidency towns, an increase commensurate with the rise in the prices of food stuffs.

Politically speaking the past year has been even a more trying and anxious year. It has been a year of Ordinances—obsolete Ordinances—deportations without trial and even without the formulation of charges, press prosecutions and Seditious Meetings Ordinances and Laws. Our most dearly cherished rights—freedom of speech, freedom of public meetings and freedom of the press,—have been assailed in a way without precedent in the annals of British Indian administration since the dark days of the Mutiny. We have had a series of repressive and coercive measures the like of which had never before been seen. These measures are still in force, and behind them is a policy of distrust and stern repression. The Calcutta Congress of 1906, held under the presidency of our revered leader, Mr. Dadabhai Nowroji, marked an important stage of

advance in the history of our constitutional movement, as focussing and giving a definite form and shape to the gathering and developing political ideas and aspirations of the people; and with the sanction of the Congress—and under its auspices—constructive work for the good of the people and for the amelioration of the condition of the masses was commenced on national lines with a view to a proper organization of the social, moral, material and industrial forces of the nation on a firm basis of self-reliance and self-help. A steady growth of these newer impulses and efforts, however, alarmed the official mind ever prone to pessimistic views and scarcely able to realise the change that was coming over the country and much less to appreciate its extent or its significance. Altogether there was unfortunately a most grievous misreading of the situation at the head-quarters of Government, and the restlessness of the newer and advancing thoughts and aspirations, coupled with a widespread and deepening discontent on account of the existing un-British system of administration in India, and its results appeared to the authorities as symptomatic of a serious movement of seditious unrest and seditious disorder. The wild vapourings of a few reckless visionaries were taken as expressions of the newer thought in the country, and Government, trusting the men on the spot and without proper enquiries, allowed itself to be persuaded that it was necessary in the interests of peace and order to resort to a policy of stern repression, including the deportation of His Majesty's subjects without a trial and under an obsolete ordinance of 1818, the arrest and prosecution of respectable and law-abiding persons on a charge of conspiracy against the Crown, prohibition of public meetings in two large Provinces under the emergency Ordinance, and the imposition of Punitive Police on whole towns and communities. On the 9th of May last our Lala Lajpatrai, the most beloved and trusted leader of his Province and one of our foremost Congress-workers, was deported to Mandalay without a trial, and shortly afterwards his friend and colleague, Sirdar Ajitsing, was also deported without a trial. Meetings were stopped in the Punjab and elsewhere and meetings were broken up and as an emergency measure an Ordinance was promulgated prohibiting meetings in Eastern Bengal and the Punjab. As soon as the time of the Ordinance expired in November last, a new Seditious Meetings Prevention Act was passed and placed on the Statute Book of the land in the teeth of the universal protest of the people. Lala Lajpatrai and Sirdar Ajitsing have been released and restored to their homes and to public life, but there is yet no

reversal of the policy of repression—no, not even a sign of it. The partition of Bengal is still a "settled fact," and we are in the region of settled facts; the principles are settled and so the facts too are settled. The Ordinance of 1818, passed a century ago under circumstances which no longer exist, is still there, and Mr. Morley declines to consider the desirability of cancelling that Ordinance. The Ordinance is a dangerous weapon in the hands of reckless authorities. Press prosecutions are still going on, and the Seditious Meetings Prevention Act of November 1st—the same day on which the Proclamation, our Magna Charta, was promulgated—this Seditious Meetings Prevention Act was passed and there it is to disfigure the Statute Book of the country and is a standing menace to liberty. Happily, on our side of this Presidency, barring here and there painful instances and the recent events in Poona in connection with the Temperance movement—cases against Temperance volunteers—we have had a comparatively quiet time of it, and our respectful acknowledgments are due to the local Government for their moderation and conciliatory attitude as well as for the trust they have placed in the people and their responsible leaders.

The general policy, however, of repression and coercion on which the Government has embarked as a remedy—a repressive remedy—for political unrest and the political discontent, it has unfortunately inflicted an immense amount of undeserved suffering, humiliation and indignity on a number of honourable, peaceful and law-abiding people. It has however been to us in its larger results a blessing in disguise. This policy of repression no doubt has driven discontent under ground to some extent, but it has also brought to us a large accession of strength to the national cause and given a powerful and forward impulse to the national movement.

As to our Swaraj demand, it is a demand for a system of Responsible Government on the Colonial model. Mr. Morley has thought fit on a recent occasion to ridicule and condemn the demand as the idealist's idle dream—the visionary's vision. But this Swaraj demand is no longer merely a reasoned conviction of the few, but the most cherished aspiration of the whole people. So, again, the Swadeshi vow has got a firmer hold than ever on the affections of the people, and the steady and onward march of the movement is not the least gratifying feature of the new position. The Bombay Cotton Mill Industry continues to advance on the flood-tide of prosperity due to the Swadeshi movement, having largely increased during the past

year, its loom and spindle power, and the Swadeshi spirit—"for me my country's goods"—with its corollary the boycott of foreign articles is fast permeating the masses. In the field of National Education also we have not been idle. National schools conducted on national lines have already sprung up in many places in Bengal, and on our side also Prof. Vijapurkar's Samartha Vidyalaya is having a promising start. But above all there is the most gratifying and most outstanding feature of the new situation, I mean a new spirit is abroad, the sacred spirit of noble patriotism, the spirit of self-sacrifice, self-help, self-reliance,—a spirit thrilling our hearts and nerving our hands as we approach the great task that lies before us; and there is an earnest and strenuous patriotic endeavour throughout the length and breadth of the country to inaugurate a new departure and a new movement of advance along as broad and extended a front as possible.

Gentlemen, ours is a Provincial Conference and we are all, of course, chiefly concerned with matters of Provincial interest. But there are questions of national interest in which we are interested equally in common with the other Provinces, and a few words on two of those questions will not be out of place. The first question, if I may be allowed to say so, is a question of domestic politics. It relates to the holding of the next session of the Indian National Congress. The other question is with regard to the coming changes in the Legislative and Administrative machinery of the State. A new scheme of Council's Reform has reference to the legislative machinery, while the inquiries of the Royal Decentralization Commission, which have just been concluded, have reference to administrative changes. I will begin with the question of domestic politics, *viz.*, the question relating to the coming session of the Indian National Congress. Gentlemen, the Congress is nearest and dearest to our hearts; it is a most dearly, most cherished institution of the land; it is our National Parliament; it is the peoples' representative assembly—the glorious outcome of years of strenuous and patriotic endeavour. It is the one political organization we possess for the furtherance of our national aims and aspirations; it is the one centre of our thoughts and of our hopes, focussing the moral strength of the nation, and it is of supreme importance to take care and see that nothing occurs,—nothing takes place prejudicial to or calculated to interfere in any way with the efficiency of the organization, with its unity of purpose and spirit, and the continuity and regularity of its work. The collapse of the

Surat session of the Congress in December last was little short of a grave national misfortune. It occurred just at a time when united action was imperatively necessary—more necessary than ever—to give a precise moulding to the newer impulse and the newer throbbing of the national heart which have been gathering in strength since the Calcutta session of the Congress in 1906, and guide the new movement. The failure of the Congress at Surat occurred again at a time when the country, having entered upon a serious conflict with the bureaucracy and the forces of re-action and repression arrayed under its direction, needed the united support of the Congress, as its central organization, to enforce its demands for definite political concessions, and could least afford to have such internal dissensions to weaken our ranks. The split that occurred was thus doubly unfortunate. As far as one is able to judge, it appears to have been due to the failure of the leaders to discern the signs of the times and respond to the demands of the new situation, and their inability to shake themselves free from the influence of habit and routine and accommodate themselves to the new order of things. A ruffled surface with its rising and bursting bubbles—the foam and froth—attracted their attention and absorbed their thoughts, the mighty rush of the uniting and commingling currents underneath was left unnoticed. The result was that they saw irreconcilable antagonisms—divergences of ideals and methods—where essentially none existed, and failed to find a common platform on which they could meet and work. Co-operation under these circumstances was impossible. The split took place—a division took place—in the Congress camp; the old party separated from the new and the new from the old, each with a programme of its own. Both parties, however, were united in their common allegiance to the Congress cause. Before the assembly at Surat broke up, each appointed a Committee of its own to arrange for the holding of the next Session of the National Congress. The old party had their Convention Committee, while the new had their Congress Continuation Committee. But the split was allowed to remain as before; the sore was left open; the gulf was left unbridged and the assembly at Surat broke up.

The split, however, has filled the country with indignation and dismay. It is four months since the Surat failure, and the nation with bated breath and beating heart has been anxiously looking forward for signs of an attempt on the part of the one party or the other at compromise or reconciliation and to continue the work of the Congress as before. But un-

fortunately no signs are yet discernible—signs of a re-assuring character. The Convention Commitee had recently their sitting at Allahabad to consider this Congress question, and it appears that they decided matters themselves and in their own way without any attempt, as far as I am aware, at co-operation with the Congress Continuation Committee. They had, however, a definite offer of such co-operation from the Congress Continuation Committee, and it is very unfortunate that they declined to avail themselves of this opportunity. This is an unfortunate event and has created a situation of no inconsiderable seriousness. The Convention Committee, after all, represents only a section—no matter how large or how influential—of the National Congress, and its decisions, whatever they are and however weighty, can claim no national character. They have a new ideal. They have a fresh definition of the aims and objects of the Congress movement—a definition which no one requires or desires or thinks necessary. The Congress has been in existence—it has been with us—these two and twenty years and we are too familiar with its aims and objects to require any further definition or appreciation of them on the part of the one party or the other. They have also laid down a new constitution for the Congress. Such a constitution is no doubt necessary, but it will have to come before the united Congress before it could come into operation.

Altogether, gentlemen, you will agree with me that the recent sitting of the Convention Committee at Allahabad and its decisions leave much to be desired, and I submit it is now for the Congress Continuation Committee of the new party to find for us a way out of this "impasse." Public opinion throughout the country is solid on this point. The country is absolutely united in calling upon the leaders to compose their differences and find a common platform upon which to work and continue the work of the Congress movement. If ever, gentlemen, there was a time when it was absolutely necessary to sink our petty differences and compose party strifes and realise the value of united action and work for the common good, that time is surely this. In the present crisis we cannot afford to have our ranks weakened by divisions. We are at present engaged in a hard and unequal struggle with the most powerful bureaucracy in the world, strong in the strength of a privileged position of irresponsible and uncontrolled power; and I would put it: "Is this the time when the gulf might be suffered to widen between the parties till the reaction should

be divided into two discordant and hostile camps and no attempt made to bridge the gulf and heal up the open sore and effect a compromise and reconciliation between the parties?" I pause for a reply. Is this the time to leave the gulf unbridged? (Cries of no, no). Gentlemen, you say "no." Then, I submit, those who by their action keep the old sore unhealed and leave the breach open, incur a heavy responsibility. Large changes in the legislative and administrative machinery of the State are under contemplation, and it is of essential importance that we should be able to press our demands and plead for our rights with a united voice. The Indian National Congress is the one national organ of public opinion we have got in the country. The outlook must be gloomy indeed, if ever the central organ should be stricken and paralysed by internal dissensions.

But it is said no such reconciliation of parties is possible, and that differences are too fundamental and all attempts at compromise are foredoomed to failure. Gentlemen, I trust, the Conference will decline to take any such pessimistic view of the position. It is no doubt a difficult and embarrassing situation, but a way must be found out of the difficulty, the parties must be brought together to work on a common platform on which they can shake hands and work together in the national interests. And happily for us such a platform exists, in my opinion, in the resolutions of the Calcutta Congress, held under the presidency of our revered Rishi and in the resolutions of the previous Congresses. We are all united—men of the old party and men of the new party alike—we are all as united as ever in our demand for an autonomous system of Responsible Government as it exists in the self-governing Colonies of the British Empire. We are all as pledged as ever to support the Swadeshi-boycott movement, partly as a political weapon, as a means of drawing the attention of the British electorate to our wrongs and grievances, and partly as an economic measure of protection to safeguard the growth of our industries. We all want this. We hold that we must have our national system of education conducted on national lines and under national control. We are all agreed in holding that—men of all parties hold—that economy in military expenditure is an absolute necessity, of course, compatible with the efficiency of the national defences. We are all at one in demanding larger employment of indigenous talent in the higher branches or the public service.

This, I submit, is a sufficiently broad platform of work which should bring together men of all parties to work hand in hand in the common cause. As regards the methods, it is a grievous mistake to suppose that any irreconcilable differences exist. Our methods are all legal and constitutional, and there is absolutely no one in country prepared to advocate a resort to any other methods—other than strictly legal and constitutional. We have in the country no physical force party. We are all constitutionalists and we form one broad brotherhood of constitutional workers. Our movement is absolutely a constitutional movement. As the Honourable Mr. Gokhale said, in his speech on the Seditious Meetings Prevention Bill in the Viceroy's Council, the whole country is on the side of law, order and peace. Under such circumstances, I submit, a recommendation may go from this Conference to the leaders of both parties to make a fresh attempt at reconciliation and arrange for holding a united session of the Indian National Congress.

Gentlemen, I have dwelt at some length on one of the two questions of general importance to which I desire to draw your attention *viz.*, the Congress question, the important question of our domestic politics. It is a question of the greatest importance to us all. I now propose to take up the second of the two questions of national importance, to which I am anxious to invite the attention of the Conference. It has reference to the contemplated changes in the legislative and administrative machinery of the State in India.

First, as regards Legislative changes. The scheme of Councils Reform as proposed by the Government of India with the sanction of the Secretary of State has been before us since August last. It is claimed for the measure on behalf of Government that it is a "large and generous scheme" of reform. Public opinion, however, throughout India unanimously condemns it as being neither the one nor the other; and I think this Conference will join in the general condemnation. Personally, as far as the Legislative Councils are concerned, I welcome two of its leading features—*viz.*:

(1) That it proposes a considerable increase in the number of the people's representatives on the Councils. Evidently, the stronger the popular element in these legislatures, the better for the country; and the proposal further evidences the desire of Government to get into contact with as large a surface of public opinion as possible.

(2) That it seeks to make the popular element on the Councils as largely representative of the various interests in the country as possible. I have, however, no faith in such matters in the theories of equipoises and counterpoises—the Zamindars as against the educated class, or the educated classes as against the Zamindars. I am one of those who think that it is necessary for the country that the popular representation in the Legislative Councils should be as varied as possible.

But while on this point, I cannot help remarking that even so the scheme is radically defective. It leaves out in the cold the most stable and the most numerous element of Indian society, *viz.* the village communities, and I am of opinion that an effort should be made to secure a direct representation of the vast agricultural population of the country under some system of double election.

But unfortunately for us, what robs the proposed scheme of Councils Reform of its value is the principle laid down as a settled principle not open to argument or reconsideration, *viz.*, that Government should always be able to reckon on a numerical majority and that this majority should be strong enough to be independent of the minor fluctuations that may be caused by the occasional absence of an official member. And it is urged that this principle of a standing official majority is a necessary consequence of the nature of the paramount power in India.

Thus clearly Government is not prepared to face an adverse vote on any measure, nor does it consider that a measure opposed by a majority of the people's representatives should be dropped as being against popular sentiment. The official view in every case—whatever it is—must always under all circumstances prevail. The maintenance, however, of a strong standing official majority virtually reduces the Councils to the position of consultative or advisory boards, as affording to the people's representatives opportunities of expressing their views only, but without any the slightest power to influence the final shaping of the measures of Government. In other words, Government under the new scheme desire only to give us a hearing—no doubt a valuable concession as far as it goes—but is not prepared to admit our representatives to any effective share in the work of legislation and administration control. And I submit the Conference will be justified in rejecting the

scheme as unsatisfactory, inasmuch as it withholds from the people and their chosen men the concession of any measure of effective power—which alone would make it of real value.

As regards the Advisory Councils, very few are found to defend this part of the scheme and I think the Conference will endorse this view.

And I submit in formulating the popular demand in the matter, it may be broadly laid down that no scheme of Councils reform would be acceptable which did not admit the people's representatives to an effective share in the control of public affairs.

Lastly, comes the important question of Administrative Decentralization at present under reference to a Royal Commission. One of the most noticeable features of the existing administrative system is its over-centralization. All directive control is concentrated in the hands of the Supreme Government —its powerful Secretariat and its Central Departments—with the result that it practically leaves but little real initiative and independence of action to the local authorities. Take, for instance, Forest Conservancy. Forest Conservancy is in its nature a local affair and yet the entire direction of this branch of the Public Service is focussed in the Revenue and Agricultural Secretariat of the Government of India and their Inspector-General of Forests. Each Local Government has no doubt a Forest Department of its own, but every important step has to be taken in consultation with and with the approval of the Imperial authorities. The working plans for instance prepared by the local Forest Departments providing for fellings, thinnings, export of forest produce, the grazing of cattle, protection against fire etc., have to be submitted periodically to the Inspector-General of Forests for final approval and sanction. The same is the case more or less with almost every branch of the Public Service—Land Revenue, Excise, Medical-relief etc. etc.

The effects of such excessive centralisation are felt throughout the country and in every part of the vast administrative machinery of the State. Among the most remarkable results of the existing arrangements we have—

(1) That there is the weakening of authority at the local centres—in the Provinces, in the Districts and in the villages.

(*a*)—The Provincial Governments, otherwise so strongly constituted,—including the two Provincial Governments of Bombay and Madras—are more or less reduced to the position of Executive Departments of the Imperial Administration, with but limited powers of initiation and independent action. (*b*) The District officers, too, have no longer the powers they once possessed and in many respects are now advisory officers to the local Governments, many of their functions and much of their authority having been transferred to strong central departments. (*c*) There is the utter decline of our village communities. These communities still exist, but are no longer the living organisations they once were. The Patel is only a servant of the State, and not as formerly the honoured representative and head of his village. The people are there, but only as *disjecta membra* of a disorganised whole—without their old cohesiveness and unity.

This is one effect of the weakening of authority at the various local centres from the Provinces down to the villages.

(2) But there is also another effect of such administrative over-centralization which must be taken into account. The administration is losing touch with local sentiments and local requirements.

Mr. Morley recognises such over-centralization as a great administrative evil tending to render the administration more or less mechanical, lifeless, and even soulless. I take his own words from his recent budget speech in the House of Commons. John Bright strongly held the view that "a centralised Government of India"—such as we have now—"was too much for the power of any man to work", and in the debates on Indian affairs in 1858 recommended the very drastic measure of the abolition of the Government of India as a central authority. He recommended the reconstitution of the various Provincial Governments on an independent basis with the privilege of direct correspondence with the India office and subject only to the control of the Secretary of State. That was his scheme and having regard to the vastness of the country—the area of the country—the diversity of its races and creeds and its bewildering variety of local conditions, there is a consensus of opinion that the task of guiding, directing and superintending the entire administration of the country from a single distant centre which the Government of India is attempting at present is in its nature an impossible task; and it involves an enormous loss of power and motive force and is in its actual

working highly prejudical to the success of the general administration. The late Mr. Justice Ranade also held similar views on this important question, and was strongly opposed to the existing system of centralised authority and the dead level of uniformity it involved. He had the vision of a united India composed of various provinces—united on a federal basis on the plan of the Dominion of Canada or the Commonwealth of Australia—united in that way—each Provincial Government with a finance and an administrative system of its own and pursuing its own scheme of progressive development and vying with one another in fruitful rivalry in the work of general advance.

In reference to such administrative reconstruction on a basis of devolution, the most important question is the question of control, and I take the liberty to read a short para from a note I have prepared on the point :—

Any delegation of power without responsibility must eventually lead to all the evils of uncontrolled autocratic power and convert our local authorities into local despotisms —a change good neither in the interests of sound administration nor of the people. For the administration, it would annihilate all effectual guarantees for efficiency and the right use of power ; for the people, it would reduce the safe-guards— at present existing—however imperfect—for the maintenance of liberal and progressive principles in the administration of the country. Autocracy in whatever shape is an evil, and under any circumstances, and no one would for a moment advocate it for India, as involving a disastrous fall-off from the standard of regulated power and responsible administration reached after more than a century of British rule. But on the other hand, the only control that at present exists in respect of the general administration of the country is that supplied by the directive supervision of the Government of India—exercised through its central Departments. And as we find it, it is rearing up, in the name of administrative efficiency, a huge *upas* of centralization,—fatal to independent local growth and vigour in the country—and which, as far as one is able to see, must before long come down by the sheer weight of its utter inefficiency and dead failure.

We must, however, have some system of control, and if Imperial control is impossible, and yet there can be no safe devolution of irresponsible power under any scheme of decentralization—no matter how carefully constructed—there is

apparently only one escape from the dilemma. It is the building up of a sound and effective system of *popular control*—such as exists in all free and progressive countries.

When some such control is established, a comprehensive scheme of administrative re-organisation may be carried out with a view to strengthening the administrative authority at the various local centres,—the Provinces, the Districts and the villages— by broadening its base through the creation of administrative Councils such as exist in Austria and Germany and by bringing the whole organisation into closer touch with local conditions through the admission of the people to a responsible participation in actual administrative work. And I humbly think that some such administrative reconstruction if properly effected would constitute a most important advance and pave the way for higher developments. This whole question of administrative changes is at present under investigation by the Royal Commission, and the result of their labours will be awaited with expectant interest throughout the length and breadth of the country. My object in submitting these remarks is only to invite your attention to the vital importance of the issue involved.

Having now dealt at some length on these two questions of general importance—the question of Councils' Reform and Administrative Decentralization—I would proceed with a brief consideration of matters of Provincial concern. Resolutions will be submitted for your acceptance on a number of Provincial questions and I will not take up your time by remarking on them all. I will confine myself but to a few such. But before I do so, I would say this at the outset—you will allow me to respectfully congratulate the Presidency on the fact that we have in His Excellency Sir George Clarke at the helm of affairs a distinguished statesman of such large and varied experience, and of such broad and generous sympathies and of whose anxious solicitude for the welfare of the people committed to his charge we have had in the past few months more than one single proof. Now the first question of Provincial importance to which I would ask your attention has reference to the desirability of having Indian members in the Governor's Executive Council. The Legislative Council deals with matters of Legislation, but there is an immense amount of administrative work which never comes within its cognizance, and one of the weakest points of such a system is that in the final decision of Government in respect of such administrative matters

the people concerned have absolutely no voice. And it is not infrequent that measures are adopted which cause the greatest discontent among the people. In the Forest Department, for instance, questions relating to grazing rights and privileges, the supply of timber and fuel, etc., are settled some times in a way so as to cause great hardship to the poorer classes. "The prohibition of goats from grazing in Kanara", writes the Collector, "seems to have caused much discontent amongst the people and it has found vent in a number of applications for the restoration of the long-enjoyed privi lege." It has caused serious inconvenience to the people. So again, in the matter of Irrigation rates the present scale is exceptionally heavy—heavier by far than in other Provinces in British India—and that too in a region like the Deccan—one of the most exposed and liable to famines. Similarly in regard to land revenue revisions, we find that enhancements are not infrequently sanctioned which have simply no justification in the circumstances of the case. As a safeguard against such administrative mistakes, I would suggest that there should be on the Executive Council of His Excellency the Governor a qualified Indian member with knowledge and experience of administrative work who might be trusted to represent the wants and wishes of the people concerned. The Executive Council at present consists of two members; and the addition of one Indian member, while it would make no large change in the existing arrangements or in any way upset the balance of regulated authority, would serve to bring the administration in its higher work into closer touch with the popular sentiments and local conditions and would be a great help to the general work. The Secretary of State has already appointed two Indian gentlemen to his Council (I take his own words as to this arrangement): "not only to keep him in touch with Indian opinion and Indian interests, but as a marked and conspicuous proof on the highest scale by placing them on the important Advisory and in some respects its Ruling body that we no longer mean to keep Indians at arms length or shut on the door of the Council Chamber of the paramount power against them." I would suggest an extension of the boon to the lower levels of administrative authority and on similar grounds.

Last year Sir Bhalchandra Krishna Kt., in his eloquent address at Surat, pleaded for a more liberal administration of the Arms Act in favour of the agricultural classes. I trust the Conference this year also will unanimously repeat the

appeal. We have in the Presidency including Sind 25,699 villages, while the total number of Arms licenses (1905-06) is only 5,510, or about 1 village in 5 has a license. Twenty-thousand villages and more are absolutely defenceless and without a single gun by way of protection against the ravages of wild beasts. The damage to crops is considerable from wild pigs and wolves, jackals, etc. but even the danger to human life is a serious and growing danger. During the quinquennium ending 1900 the number of persons killed by wild animals was 212, during the quinquennium ending 1905 it was 360, an increase of 70%.* And yet the number of licenses in force in the Presidency has been steadily on the decline during the past 10 years. In 1896 it was 9335 and in 1905 it was only 5510;—3825 licenses have thus been withdrawn in the last ten years. It is not easy to understand the administrative difficulty in the matter and one is tempted to ask, having regard to the fact that we have our responsible village headmen available, cannot we trust them? Cannot we trust our Patels and make them responsible for the right use of these licenses? If we could, where was the necessity for the withdrawal of so many licenses during the past ten years? However that may be, the withdrawal of so many as 3825 arms licenses in ten years is a matter of serious concern, and a growing danger to human life supplies us an additional ground for an appeal to Government in this respect. There is also the question of protection to property from robbers and dacoits. We have as many as twenty thousand villages without arms, and I submit, that is a legitimate grievance to which the

*TOTAL NO. OF CATTLE KILLED BY WILD ANIMALS DURING THE PERIOD.

Years.	No. Killed.	Yearly Average.
1896-7 to 1899-1900 } 4 years ...	7,618	1,904
1900-1 to 1905-6 } 6 years ...	38,372	6,395

Conference will be justified in asking the attention of Government. Then as regards the other questions, gentlemen, Resolutions will be laid before you and speakers will refer to those questions in full detail. And I think I need not take up your time, nor am I prepared to do so.

Before I conclude I have only one or two words to say. Brother-Delegates and Gentlemen, the fight in which we are all engaged without distinction of parties is a constitutional fight. It is a fight for a free constitution such as has been conceded to the self-governing colonies of the British Empire and which has so largely helped to build up their greatness, their strength and their prosperity. The existing autocratic system of Government in India is essentially wrong and faulty and tends to keep us low among the nations of the world, stunting our growth and impeding our national development. At all events, it is a system which can never initiate, much less faciliate, the transition of the nation to a higher plane of life, civilisation and material well-being—which is the only moral justification of British rule in India. We ask that this system of autocratic rule may be replaced by a popular system of Government such as exists in Australia, New Zealand, Canada, and South Africa. As all experience testifies and all history teaches and as John Stuart Mill points out in his "Representative Government", the Government of one people by another has no meaning and no reality. And we are convinced that it is only under some scheme of Swaraj or Responsible Government that we can hope to make progress and rise to the full moral height of which we are capable. Under no other system, however skilfully devised and carefully planned, can we hope to rise in the scale of nations and in the fulness of time recover the proud position that once was ours in the forefront of the world's advance.

This is our goal, the one object for which we labour. The way to it may be weary and long and may not always be with roses strewn; failures and disappointments may occur, but undismayed and undeterred we must press on. The pole-star

of duty is there fixed and bright in the heavens to guide us on our way and check us if we err; and if we only labour in faith and in hope, heart within and God over-head, our efforts will be crowned with success. We may now enter upon our labours in a spirit of confident hopefulness. Moderation will be the key-note of our discussions as it has ever been in the past, and *Salus Populi* is our motto, our watch-word, and we may be sure that the blessing of Heaven which rests upon all honest and public endeavour will rest on our mission, consecrated by patriotism and guided by a loyal regard for the good of our mother-country. And as the poet exhorts us, let us

Learn.....even in the darkest hour
To trust the Almighty's care;
His eye beholds, his hand protects—
Oh, who would then despair?

BOMBAY BUDGET FOR 1910-11.

In the meeting of the Bombay Legislative Council held on Saturday the 25th June, 1910, at Poona, the Hon. R. B. G. V. Joshi made the following speech in criticising the Budget of the Government of Bombay for 1910-11 :—

Your Excellency,—This is the third stage of Budget discussion. We have already had two discussions before; and I will not take up the time of the Council with any further examination of the various details of the Budget, but will content myself with a few observations on its general aspects. In his concluding remarks in the financial statement presented to the Council in March last, the Honourable Sir John Muir Mackenzie summed up the position in words of grave import. Our expenditure has been largely growing during recent years, and still so insistent are our needs that further expansions of charge are inevitable. We urgently require funds for Education, for Police Reform, for Medical Relief, for Public Works, etc. Our present resources, however, are altogether inadequate, and though they are estimated to give us an annual increase of 12 lakhs, can hardly suffice for our growing wants. Nor can any large or adequate measure of special help from Imperial Revenues under present conditions be looked for. "In these circumstances", says the Honourable the Finance Minister, "it is evident that we shall have to make up our minds to one of two courses—either the arrest of our rate of progress, or the increase of our resources by Provincial or Local taxation. It is my earnest hope that before I hand over charge to my successor of the financial port-folio of this Government, the Council may be invested with the requisite power to impose the taxation required to meet our requirements, and that our dependence for resources upon the Imperial Government may before very long be a thing of the past." Such taxation would no doubt place us in a position of financial independence and enable us to pursue our schemes of administrative progress—free from embarrassing fluctuations incidental to the present arrangements.

And, indeed, there was at one time—during the time of the Mayo Settlements—among eminent Indian Financiers, the idea of building up a broad, solid system of Provincial Finance on an independent basis—analogous to Municipal—by means of Provincial taxation for Provincial services parallel to, and side

by side with, Imperial. It was a most fascinating idea, but in view of the hard realities of the economic situation in India as well as of the injustice and hardship involved in such a doubling of the people's burdens, the scheme had to be definitively given up—particularly after the inquiries of the Fawcett Committee; and, as far as I am aware, has never since been revived. The Honourable Sir John Muir Mackenzie, however, is still, apparently, a warm advocate of such an independent system of Provincial Finance.

As for the taxing power, to which the Honourable the Finance Minister refers, I think we have such as a Local Legislature, and there is nothing to prevent us under the general provisions of the Councils' Acts from making use of such power, subject of course to the sanction of the Government of India, should occasion arise. The question however is whether our present financial position is such as to justify a resort to such an expedient. The Honourable Sir John Muir Mackenzie holds that a definite stage has now been reached in our onward march of administrative expansion and improvement at which we must either be prepared for an inconvenient halt or decide to strengthen our resources by Provincial or Local taxation: and he advises us to prefer the latter alternative. I confess, I am not convinced of the soundness either of such a view of our finances or of the advice based on it.

In the first place, I venture to doubt if we are faced with so serious a dilemma. It is true, the present condition of our finances is somewhat abnormal and not altogether free from elements of anxiety. Our expenditure has grown from 492 to 639 lakhs, *i.e.* by 147 lakhs in six years or at the rate of 24·5 lakhs per annum; while the normal increase of our assigned revenues has only been 12·2 lakhs or so a year. We have hitherto had liberal grants from Imperial Revenues, and it is uncertain how far we may rely on their continuance in future years. And failing them, it would be difficult—if not altogether impossible—to keep up our present rate of advance. In such a contingency, we should of course have to slacken the pace a little and enforce economies. But this is far from being such a dilemma as is indicated in the financial statement. Difficulties such as these exist in every Province, and ours is no exception. The Punjab, for instance, is just having embarrassments of a like nature but no-where is there such a proposal to meet the situation by Provincial or Local taxation.

Supposing, however, we had such a choice before us as the Honourable the Finance Minister suggests, I don't think there would be any room for doubt as to which alternative we should choose. Surely we had rather slow down the pace than go in for taxation, for instance, to supply funds for increased expenditure on civil works or for increase of pay of the Revenue and Judicial establishments.

And, indeed, the present economic condition of the Presidency does not seem to warrant or encourage any such proposal. Our Presidency has suffered in recent years from famine and plague as no other Province has suffered, and I submit this is a fact which ought to be reflected in our financial arrangements. The supreme need of the hour, as I take it, would seem to be *alleviation*—not *augmentation*—of the people's burdens.

Besides, any such resort to Provincial taxation in aid of Provincial expenditure would, I humbly think, be opposed to the recognised principles of the existing scheme of financial decentralization. In strict constitutional theory, all taxation except Local is Imperial; and so too, is all expenditure. Provincial finance in its present frame and structure is but an administrative arrangement, under which certain services are singled out and placed under the control of the Local Governments, and assignments from Imperial Revenues are made to them for the support of such Provincialised services. And as a matter of fact, there is no Provincial taxation proper in any Province of British India strictly for Provincial charges. What are known as Provincial rates in Bengal, the United Provinces, and the Punjab, are exclusively for local use and not for Provincial.

When, however, any financial embarrassments arise in any Province, such as seem to confront us, and the balance between Provincial income and Provincial expenditure is disturbed, what the Provincial Government concerned usually does is to apply to the Imperial Government for increase of its assignment as a measure of special aid. No such contingency generally arises—famines and such other natural calamities of course apart— so strict, indeed, is the budgetary control exercised by the Imperial Finance Department. But when any such does arise, the Provincial Government gets the requisite help from Imperial Revenues. Only recently the Government of East Bengal and Assam has obtained as an addition to its regular assignment 38·28 lakhs. The Punjab Government has also

urged its claims on the Imperial Treasury for similar treatment ; and so, too, has the Government of the United Provinces promised, in response to a suggestion from the local Council, to address an appeal to the Government of India for special aid.

A similar course is, I submit, available to us too in our present difficulties. And we can go to the Supreme Government, if not this year, some time hence for an adequate increase of our resources ; and I have no doubt we can do so with even more reason and justice than any of these Provinces. Our present assignment is fixed so low—it is about the lowest in all India. Out of the 14·85 crores the total taxation we pay, we are allowed to retain for our Provincial purposes just 6·10 crores (including assessment of alienated lands less quit rents amounting to 92 lakhs and more) *i. e.* about 41 per cent as against 62 per cent granted to the Central Provinces and Berar, 58 per cent to Burma and East Bengal and Assam, 48 per cent to the Punjab, and 46 p. c. to the Government of the United Provinces of Agra and Oudh. Even the cotton excise (37·5 lakhs) is not ours for our local use.

It is thus clear that our present financial difficulties arise not because we do not bear our proper share of general taxation—on the contrary, we even pay more than several other Provinces relatively to our resources—but because under the present Provincial settlement, we are not permitted to enjoy a proportionately fair share of assigned revenues as compared with other Provinces. And I feel confident that in any such appeal for increase of Provincial assignment, Government will have the unanimous support of the Council. At all events, we may most reasonably ask to be allowed to retain for local use our cotton excise which is strictly speaking a local impost on a local industry.

Failing such an appeal to the Government of India—and I am aware the Honourable the Finance Minister gives no encouragement to any hope in that respect,—I submit, even so, Provincial taxation is not the only fiscal alternative that presents itself. The situation might be met in other ways. In the first place, as the work of administrative re-organization is nearing its completion, a scale of expenditure will establish itself in the re-organised Departments, which might be depended upon to be more or less constant for a number of years. Forests and Excise which have had their establishments recently revised

would require no further revision at least for some time to come. Such cessation of expansion of administrative charge would of itself afford considerable relief to our finances.

1. Further, there is room for economies in expenditure. Under civil works for instance, the grant was about 34 lakhs in 1894-95. In 1902-03 it rose to 44 and is now 73·9 lakhs. Part of such increase will have to be surrendered in times of pressure.

2. Secondly, some relief from the pressure might also be obtained by re-adjustments of expenditure. As administrative expansions cease, the amounts so released might be transferred on a reduced scale to heads of charge under which there are urgent demands.

3. In special cases—such as Village Police reform,—I think we must go in for special grants from Imperial Revenues, and such grants are seldom refused.

4. There is a grant of about 13·5 lakhs allowed to us under Famine Relief for the building up of a famine reserve. In three or four years the reserve will have reached its normal amount, and the grant so liberated would be available to us for expenditure under other heads.

With some such ways open to us, I think our position is fairly clear. It no doubt requires careful watching lest we should be committed to a scale of expenditure beyond our means ; it is also possible we might have to slacken the pace in this or that branch of the Public Service. But of one thing I feel sure, and it is that no such difficulty confronts us in the immediate future as the Honourable the Finance Minister anticipates, and that there is no such necessity for recourse to Provincial or Local taxation as suggested. And I submit, we may look forward to the future without any serious misgivings, if not with hope and confidence.

THE BOMBAY HEREDITARY OFFICES ACT.

The Vatan Act.

Certain changes were sought to be made in the Bombay Hereditary Offices Act (or the Vatan Act) affecting the devolution of the Vatan), the qualifications for holding it and the conditions of its forfeiture. The Hon. Mr. Gokuldas K. Parekh had moved certain amendments opposing the changes, in the meeting of the Bombay Legislative Council held at Poona on 27th June 1910. In supporting these amendments the Honourable Rao Bahadur Joshi said :—

Your Excellency,—I beg to say a few words on two of the three amendments before us. The third amendment has reference to the penalty clause of the Act, and I have my own amendment to move on that point. So, reserving my remarks on it to a later stage of the discussion, I will take up the first two.

There are, as we know, Primogeniture Vatans and Rotation Vatans, and confining ourselves to the Primogeniture Vatans, the object of the Bill is that the rule of lineal Primogeniture as opposed to ordinary should be the recognised rule of succession in respect of these Vatans in the future. I welcome it as the enunciation of a sound principle of succession to the status of a representative Vatandar and as being in harmony with the prevailing sentiment and usage in the Deccan, as far as I have been able to ascertain. I agree with the Honourable Mr. Carmichael in the view that the status of a representative Vatandar is in no way inferior in dignity, in honour and in responsibility to that of a Saranjam-holder. As far as sentiment in the Deccan is concerned, we think that this status should as far as possible descend to the eldest son in the senior line. I only wish, there was an interpretation clause put in in the Bill, distinguishing lineal from ordinary Primogeniture. The distinction between these two forms of Primogeniture was, as far as I remember, for the first time drawn in a Privy Council judgment some years ago; and it is now recognised in our Courts. But an interpretation clause making it clear would be most desirable for the general public.

Provisoes (1), (2) and (3) of clause 2 (1) hang together and seek to give effect to the main object of the Amending Bill. Proviso (1) lays down an obligatory presumption in reference to the rule of Primogeniture. I understand—and I speak subject to correction—that nothing is further from the intentions of Government in the proposed legislation than to disturb in any way the existing established customs and usages, and that the object is, without prejudice to these, to have for the future as far as possible the rule of lineal Primogeniture as the accepted rule of succession. This being so, the presumption laid down in the Proviso is, I submit, put in too strong a form I think it would have been better if the presumption had been put in an optional rather than in an obligatory shape. Presumptions are, no doubt, after all presumptions—legal fictions in a way—whether they are obligatory or optional. They can be rebutted in either form; they only shift from one side to the other the burden of proof. Still, there is this difference between an obligatory and an optional presumption. An obligatory presumption is taken to be as near as possible an established truth—and there is little or no anticipation of its being disproved. It is laid down, for instance, in the Evidence Act that the Court shall presume the genuineness of a document appearing in the "London Gazette". There is little possibility of such a presumption being challenged or rebutted. It is otherwise with optional presumptions. Here, it is expected that rebutting evidence would be forthcoming in the ordinary course of legal proceedings. An optional presumption, in this matter—and we have so many such in the Evidence Act and in the Penal Code—would leave the presiding officer—the inquiring officer—free to approach the question with a more open mind and in a more impartial spirit than under the obligatory presumption as laid down in the Proviso. So my submission is that the presumption may be put in an optional rather in an obligatory form.

Now, I come to a more debatable point in the Bill, and that is with regard to the discretion left to the Collector in Proviso (3), to accept or reject certificates of heirship decrees and orders of the Civil Courts. The existing law is that a certificate of heirship or a decree or an order of Civil Court shall be conclusive proof of the facts stated or determined in such certificate, decree or order. It has to be borne in mind with regard to these certificates, decrees or orders that they relate to Vatan disputes and not to suits regarding representative Vatandarships. These later suits are exclusively for the

Collector to decide. The Civil Courts decide upon general questions relating to Vatan rights and Vatan property, and in doing so, are guided by the general law of inheritance—and require proof of usage—whatever it is lineal or ordinary, Primogeniture or other—and deal with each case on its merits. It is not open to them under the general law to presume in any way. They cannot presume that a certain rule of succession is the rule of succession in Vatandar families in any locality. They must act upon the general law. Now, when we are told that the decisions of the Civil Courts may or may not be accepted by the Collector and that the Collector is given this discretionary power on the avowed ground that the Courts are "prone to lose sight of the custom of Primogeniture" when it is not permissible to them to act upon any presumption whatever—we are filled with misgivings as to the way in which it is sought to give effect to the main object of the Bill. At any rate, we have this anomaly that while it is made obligatory upon the Collector to make certain presumptions, it is not open to the Civil Courts to make or act upon any such under the general law of the land. Are we then to understand that the rule of lineal Primogeniture is not only to be presumed, but is to be assumed as an established rule—a rule about which no further evidence should be required? As the law at present stands, the decisions of the Courts have to be accepted as conclusive evidence of the facts disputed and the issues determined —the final decision of course resting with the Collector in regard to these Representative Vatandarships. I submit, we may leave the law as it is at present. There is no case made out for the proposed change. The decisions of the Courts are arrived at after the fullest enquiry, and there is no reason why these decisions should be put on one side in this respect.

As regards Proviso (2) dealing with Vatan shares, when a representative Vatandar dies without issue, I do not see why his share should be divided among the remaining representative Vatandars. If the rule of lineal Primogeniture is to be generally insisted on, and if it is desired that this should be the rule in the future, then it is only just that his *takshim* should pass to the eldest heir in the next senior line. I would rather have that such heir should succeed to his Vatan share, than that it should be extinguished as a separate *takshim*. I think the provisions suggested in the Honourable Mr. Parekh's amendment are in accordance with the main object of the Bill; and I will vote for them.

As regards sub-clause (*ee*), contumacious default is put in as a new ground for disqualification. I think when a Vatandar who has to collect the land-revenue is himself a defaulter—and a contumacious defaulter—it is only right that he ought not to be entrusted with the duty. But I am afraid, it would be difficult to prove such wilful default. In these days there is a large number of Vatandars, Patils, and Kulkarnis who have assessed holdings of their own and who being poorly paid, it is quite possible, may fail now and again to pay up the State-dues in times of famine and scarcity. Now whether such default on their part is wilful and contumacious—it would be, I think, very hard to decide. In view of such a difficulty, I submit that contumacious default may not be included a proposed in this Proviso, among the grounds of disqualification.

[The amendments were subsequently lost.]

* * * * *

The Honourable Rao Bahadur Joshi in subsequently moving his own amendment to the Vatan Bill said :—

Your Excellency,—This amendment which stands in my name has reference to section 60 of the Vatan Act. This section runs thus: "When any representative Vatandar, or any deputy or substitute appointed by him, is convicted by a Criminal Court, not inferior to a Court of Session, of any offence in the discharge of his official duties, or of any of the offences specified in the Second Schedule, or of abetment of any such offence, and such conviction is not subsequently reversed or quashed, the Governor-in-Council may direct the forfeiture of the whole or of any part of the Vatan. Such forfeiture may be either absolute or for such period as the Governor-in-Council thinks fit."

It is a penalty clause, and as such is the most objectionable in the whole range of our penal legislation. Neither the Penal Code nor any of the special enactments provide a penalty so severe—and so opposed to all our ideas of reason and justice. In the amending Bill before us, it is proposed to enlarge the scope of the penalty in two different directions—(1) by extending it to all the Vatans in which the offending Vatandar has an interest—wherever situate, and (2) by adding a new class of offences to schedule II to which the penalty is attached. The penalty is the penalty of *forfeiture*.

No case is made out for the proposed enlargement of the penalty and I not only object to such enlargement as uncalled

for, but I think that the existing penalty under the Act is so unjust and so severe that occasion should be taken in this amending Bill, to reduce it so as to render it more consonant with justice and equity. And this is what I propose in my amendment. I object to the penalty as laid down in section 60 of the Act on various grounds.

In the first place, the penalty is a special penalty over and above the penalties provided in the Penal Codefor offences to which it is attached. A class of public servants—perhaps the hardest worked and the worst paid—is singled out for such treatment. The Penal Code lays down various punishments for offences committed by public servants—but none so severe as that under the Vatan Act in the case of offending Vatandars.

Secondly, the penalty is the penalty of *forfeiture of property*. In the Penal Code, it is attached only to a few heinous offences—treason, rebellion, murder, etc.; whoever for instance wages war against Government or abets an insurrection—in addition to the penalties of death or transportation for life—forfeits all his property; or again whenever a person is convicted of a capital offence, the Court may adjudge that all his property shall be forfeited to Government.

Under the Vatan Act, this penalty of forfeiture is attached to offences—such as fraud, malversation, or misappropriation of public money—committed by the officiating Vatandar or any deputy or substitute appointed by him, on conviction by a Court of Session. If a Vatandar in the discharge of his official duties, for instance, falsifies an entry in a Village Register—or is guilty of extortion—or if a substitute—a low-paid outsider appointed by him to officiate during his absence—commits any such fraud, the whole Vatan in which he has an interest is liable to forfeiture under section 60 of the Act.

Thirdly, this property thus liable to confiscation is the whole of the hereditary Vatan property in respect of which the offence is committed.

It is not only the officiating Vatandar and all his sharers who lose the property for these offences, but all their heirs born and unborn—male and female—minors, widows—all.

Hereditary property is valued, not so much for its intrinsic worth as for its comparative exemption from consequences of

individual misconduct. Individual offenders are liable to suffer the penalties for their misdeeds—but inheritable rights continue untouched.

"Forfeiture under the Penal Code," writes Mayne in his Criminal Law of India (p. 20), "has not the effect of corrupting the blood and extinguishing its power of transmitting inheritable rights." With us under the law, the son by birth is a co-sharer with his father and his rights cannot be affected by his father's acts. Under section 60 of the Vatan Act, it is all otherwise. The entire stream of inheritance is stopped for the offence of one officiating Vatandar.

Fourthly, this section 60 punishes the innocent with the guilty. It is not only the offending Vatandar who suffers the penalty, but the whole body of his non-officiating co-sharers with him. These Vatandars have no voice in the selection of the officiating Vatandar. The representative Vatandar is usually appointed by the Collector, or where he is unable for any reason to perform the duties of the office himself, he is permitted to appoint a deputy to officiate for him, and so, again, the officiator during his temporary absence or illness may engage a substitute—who may be an outsider—for the temporary performance of the work. The non-officiating Vatandars have nothing to do with these arrangements, nor are they in any way or respect associated with the officiator in the conduct of his duties, nor have they any control or supervision over his work. They are his co-sharers under the law of inheritance—and for this they are all—the present incumbent and all his heirs—born and unborn—made to suffer under the existing provisions of the Law for the misconduct of one of them. This is manifestly unjust—unfair—to punish a whole Vatandar coparcenary for the misdoings of one man.

But it is here asked, where is the injustice in the case? *Vatan* is simply remuneration for service—like the pay of a post—and if a servant is turned out of service, he loses his employment and withal his pay, and the loss of his pay is a loss to his family and dependents. No one complains of this as unfair. And yet, if in a similar way and under similar circumstances an offending Vatandar is dismissed from his office and his Vatan confiscated for his offence, why should it be made a ground for complaint? The reason is this.

Vatan is not simply remuneration for service, it is partly such payment for work to be done, and partly a reward for

past services. Sir Raymond West, one of the most learned Judges who have ever sat on the bench of the Bombay High Court, strongly held this view. A patel or a kulkarni has not acquired his Vatan just as a Mámlatdâr or Mahâlkari gets his appointment. His Vatan is his *property*, besides being remuneration for the work to be done. And he has only a *life-interest* in it.

No one objects to the officiating Vatandar being made to forfeit what is his—his *life-interest* in the Vatan, but the injustice comes in when the penalty extends to what belongs to others—the interest of his co-sharers who may be as innocent as any of us here. The Penal Code allows the confiscation of what is the offender's property—in cases where such confiscation is sanctioned, but not the property of his brothers or uncles or nephews.

Fifthly, there is yet one more ground on which I think the existing penalty is open to grave objection. In punishing the officiating Vatandar's co-sharers for his offence, the Act enforces joint responsibility. Now joint responsibility in criminal matters is a principle not of course unknown in Criminal Jurisprudence. In the case of communities habitually lawless—or in local areas where a state of things exists in which crimes cannot be detected, or criminals cannot be found out, or where it is difficult to procure evidence of crime—under such circumstances, joint responsibility may justly be enforced, and whole communities in this way are sometimes punished under the Police Act—punitive police imposed on them.

But in case of offences contemplated under the section—such as fraud or extortion or criminal breach of trust—are there any such circumstances justifying the application of this principle of joint responsibility in criminal matters? The offending Vatandar's co-parceners may never be in a position to know what he or his deputy or substitute is doing—and it is obviously opposed to all our ideas of justice and equity to apply the principle of criminal joint responsibility and punish them all for his misdeeds.

It is no doubt a permissive power under this section that is vested in the hands of Government to direct such forfeiture; and it is hedged about with discretionary limitations. It is also true that the power so vested has been most sparingly exercised—only, so far as known, 2 cases are on record of *Vatan*

forfeiture. But the very existence of such a penalty clause is to my mind undesirable—and it is a blot on the Statute-Book; and the sooner it is wiped out, the better.

Such is the penalty of forfeiture under section 60 of the Act, and in the Bill before us, it is sought considerably to enlarge its scope and its effect.

Vatan property is sacred and inviolable, and the Vatandar loves his Vatan as he loves his life. And the existing penalty is, I submit, not only unduly severe but unjust and unfair, and I propose that it may be reduced and brought into accord with the demands of reason and equity.

Under Native rule, forfeitures of Vatans were almost unknown except in cases of treason or rebellion. Individual holders were punished—and punished with great severity, but in no case were their Vatans confiscated. Even the most arbitrary ruler respected the sanctity of such Vatan property.

In the early years of British rule, the same course was adopted, and M. Elphinstone's Regulations of 1827 sanctioned no such penalty of forfeiture, severe punishments were prescribed for fraud—malversation on the part of the village officers. A Kulkarni, for instance, who falsified entries in the village register, rendered himself liable under Regulation XVI to five years' rigorous imprisonment. But there were no confiscations of Vatan property.

A few years later, the rural parts on this side of India were more or less in a disturbed state. There was a recrudescence of organised crime—gang-robberies and dacoits—and it is believed that there could be no such crime without the active help of the village Vatandar officials. It was considered that the penal provisions contained in Elphinstone's Code of 1827 were inadequate to ensure the efficient discharge of the duties of these hereditary village officers. Accordingly in 1843 an Act was passed—passed by the Supreme Council at Calcutta—we had then no Legislative Councils—providing for the first time this penalty of *forfeiture* under clause 9 in the case of serious offences committed by these Vatandars in the discharge of their duties.

This Act was in force for thirty years—the penalty sanctioned was held to be a deterrent one, for use only on grave occasions, and there were only two forfeitures during all this period.

In 1873 the Act came up for revision before the local Legislative Council. In the amending Bill, the forfeiture clause was re-inserted. But it was most strongly opposed by the native Members of the Council, and the Honourable Mr. Narayan Vasudeo, who led the opposition, succeeded in carrying an amendment in much the same terms as those of my present amendment—restricting the penalty of forfeiture to the life-interest of the offending Vatandar; and it had the full assent and approval of the President, His Excellency Sir Philip Wodehouse, who held that it was unjust "to render a whole *Vatan* liable to forfeiture because one man who has only a life-interest in it has committed some offence." Somehow, however, this Bill came to be dropped. And when a new amending Bill was brought up, the forfeiture clause was again put in as before, and—in spite of opposition by the native members—was passed. Thirteen years later, in 1886, the Act of 1873 again came up before the Legislative Council for amendment. And on this occasion it was proposed not only to repeat the old clause, but to extend its scope, by adding new classes of offences to the old list, carrying with them this penalty of forfeiture. The Honourable Khan Bahadur Kazi Shahabuddin opposed the proposal in a powerful speech, objecting to it as opposed alike to justice and good policy; and in this opposition, he had the hearty support of the late Mr. Justice Ranade. The new Bill, notwithstanding, became law, and that is the Act of 1886.

From all this, however, it will be clear that this forfeiture clause in the Vatan Act has never had the support or approval of native public opinion in this Presidency. And yet, it is this penalty which it is now, in the Bill under consideration, proposed to considerably enlarge. As I remarked before, it is sought to extend the penalty of forfeiture not only to the Vatan in respect of which the officiating Vatandar is guilty of any offence specified in the schedule, but to all the Vatans—wherever situate—in which he has an interest. If the offending Vatandar has Vatan-shares in, say, a dozen villages, his coparceners in all these must suffer for his misconduct. It is also part of the proposal to add to the scheduled list of offences a new class—for which even the Penal Code does not provide the penalty of forfeiture of property—*viz.* the harbouring of robbers and dacoits.

Such is the proposal before us; and I would earnestly ask the Council to consider whether it would be desirable—in the interests of justice and good administration—to sanction the proposed extension of the penalty. I object to it as opposed to

justice and equity, no less than to good policy. The issue before the Council is one of serious import. It concerns the entire village administration of the Presidency, and affects the interest of some 66,000 Vatandar families on whose contentment and loyal devotion so much depends. The Vatan system is one of the most ancient and most dearly cherished institutions of the land. As I said before, the Vatandar loves his Vatan as dearly as he loves his life; and Vatan property has always been regarded as peculiarly sacred and inviolable. I hope and trust that the Council will not give their approval to any such interference, as is proposed, with these Vatan rights and Vatan property. With these remarks I beg to move my amendment—proposing to restrict the penalty of forfeiture to the life-interest of the offending Vatandar.

There was much lively debate on Hon. Mr. Joshi's amendment. In replying to the debate the Honourable Rao Bahadur Joshi, said:—

Mr. President,—At the outset I desire to express my gratitude to Honourable Members for their friendly and sympathetic criticisms. As to the point of order that has been raised, I think I had best leave it to the Chair. To pass on to the question before us—as regards the penalty of forfeiture as enforced in the Native States, I confess I have no accurate knowledge. My Honourable friend Mr. Lalubhai Samaldas has just told us that Inam, Watan and Girassia lands are often confiscated in these States, and that, too, for ordinary offences—such as robbery or murder. Possibly it is so. As I have said, I have no first-hand knowledge of such transactions or of the administrative methods at present obtaining in the Native States, and I am not in a position to offer any useful comment on that point. In speaking of procedure under Native rule in pre-British days, I think I am on firmer ground. My authority for the statement I made the other day was the late Mr. Justice Ranade—who on more than one occasion assured us—and we had no abler, closer or more philosophical student of Indian and Maratha History—that no Native ruler—not even the most arbitrary—ever touched these Inams and Watans except in cases of treason or rebellion. Individual offenders were no doubt punished with severity, often with undue severity—but their Inams and Watans which were hereditary were left untouched and were allowed to pass down in the regular line of succession. They were held sacred and inviolable, and were exempt from consequences of misconduct on the part of

individual holders. When there were cases of forfeiture under Maratha rule, they were for such offences as treason, sedition, rebellion, for disloyal conduct such as the Honourable Mr. Curtis has referred to. Next, it is said that Watans are either service or non-service Watans and that we are here concerned only with the former. This is true. But the distinction between these two classes of Watans is of recent growth. It is only since certain classes of Watandars such as Deshmukhs and Deshpandes, Desais and Nadgaundas were relieved of their service on their agreeing to surrender part of their Watan income by way of commutation, that Watans have come to be classified some as service and some as non-service Watans. The distinction was unknown in old days.

Taking the service Watans, it is urged, there could be no injustice in enforcing the penalty of forfeiture in the case of serious offences, and the question is asked in this connection, what constitutes a Watan? Is it a reward for past services rendered to the State? Or is it simply remuneration for service to be rendered? I had been under the impression that this was no longer a disputed point. But I now see, it is still an unsettled question. I, however, submit there is a consensus of view that Watan is both a reward and a remuneration. In the very debates in Council to which the Honourable Mr. Curtis has referred, you will find that the Honourable Khan Bahadur Kazi Shahabuddin—speaking with his unrivalled knowledge of Gujarat—pointed out that there were several Watans in those parts originally acquired as rewards for past services to the State. Watans were often granted to heads of village communities who had helped to settle the villages or promote their prosperity. Even now, in the case of a Watan, it is only part of the Watan income that goes to the officiator, the rest remaining in the hands of the non-officiating Watandars. This, I think, fairly settles the question, what constitutes a Watan?

Here the Honourable the President referred Hon. R. B. G. V. Joshi to section 4 of the Act.

The Honourable Rao Bahadur Joshi after reading the section continued:—

The section no doubt defines Watan property as "remuneration for the performance of the duty appertaining to an hereditary office." In later sections, however, the distinction is drawn between service and non-service watans. In the

cases of certain Watandars they are relieved of liability to perform such service to the State on their giving up a portion of their watan income and allowed to retain the rest as hereditary watan property. In the Gordon and Pedder Settlements of 1862 and 1863 several classes of District Watandars were so relieved, and the service factor was appraised at a third or thereabouts of their total watan income—which was resumed by the State. So, again, in the case of village servants held to be no longer of use to Government—their services were dispensed with; one half of their watan income was resumed by way of commutation, and one half being allowed to them to be held and enjoyed as hereditary private property. And even now, this officiating Watandar gets only part of the watan income—not the whole. What does it all show? Does it not show that watan is not simply remuneration for work to be performed, but a reward as well for previous services to the State? It is thus private property plus service remuneration, not continuable or resumable by the State at its discretion. Thus, I submit, this remuneration theory about the nature of watan property—to which the Honourable Mr. Carmichael referred the other day—is a theory which derives no support either from historical fact or from present practice. And yet, this is the theory which is largely entertained, and which underlies these forfeiture provisions. Under the present arrangements, it is only a part of the watan income which is assigned as remuneration to the officiating Watandar; the rest is held and enjoyed by his non-officiating co-sharers. And the question asked is, why should these non-officiating Watandars—who do no work and yet enjoy the emoluments—why should they have them in this *sinecure* fashion? Why should they be exempt from all responsibility? True, they are not associated in any way with the officiating Watandars in the performance of official duty; but they must not on that account be suffered to think that it is no concern of theirs how he does his work. They are his co-sharers—and must bear some sort of responsibility. They enjoy watan income, and must be held responsible in some measure for the conduct of the officiator. If he misconducts himself in the discharge of his duties, they must share with him the consequences of such misconduct. This is, I think, the origin of this forfeiture penalty and this is the section—section 60—which enforces such joint responsibility. When the Act of 1874 was under discussion in the Council, this line of argument in justification of the penalty was anticipated by the Indian

Members. The late Rao Saheb V. N. Mandlik strongly pleaded on behalf of the Watandars for the concession to them of a right to select their own representative Watandar to officiate. If you are going, he argued, to lay on them such responsibility for the conduct of the officiating Watandar, it is only right that they should be allowed to select the man whom they can trust. But the Rao Saheb's suggestion was not accepted, and the original Bill as framed was passed, leaving the selection to the Collector. As regards rotation watans,—

Here the Honourable Mr. Curtis interrupted saying:—I rise to a point of order. The question of the rotation principle cannot possibly be raised in this discussion.

The Honourable Rao Bahadur Joshi continued :—

Well, I am only referring to the point by way of illustration. In the case of certain rotation watans, the right of choice is conceded to the Watandars. But as a general rule, the non-officiating Watandars are not permitted to choose their own men to officiate. And hence, we have this anomaly. They do not select their own officiators and yet are held responsible for their conduct. The right principle in such matters is put on one side—namely that where there is no power, there should be no responsibility. Power and responsibility should go together. If the Watandars have no power to select their own men for the work, and have no sort of control over the management of affairs, there ought to be no such responsibility as is imposed on them under the existing law. I submit, this is unfair. To hold them responsible for the conduct of men in whose selection they have no voice —with whom they are in no way associated—over whose work they have no sort of supervision—and of whose methods they have absolutely no knowledge—this is opposed to all ideas of justice and right. Viewed in this light, the penalty as prescribed in this section is not only severe but unjust. *It is* manifestly unfair to hold the whole Watan Coparcenary responsible for the misdeeds of the officiating Watandar—not

only for his own misconduct, but for that even of his deputy or substitute. If a substitute has been employed—say for a few months or for a few weeks—and he need not be a Watandar himself, and if he commits an offence specified in the schedule in connection with the management of the watan, the whole body of co-sharers in the watan come under the operation of the penal clauses. It is now proposed to enhance the severity of the penalty instead of reducing it. First, it is proposed to extend this liability to forfeiture to all the watans in which the offending officiator may have an interest. I know of a Kulkarni who has shares in some sixteen watans. Now if that man or his deputy or his substitute commits an offence, not only he and his sons and his collateral heirs but all the coparceners of all these sixteen watans will, under the proposed amendment, be liable to suffer for his offence.

The Honourable the President here reminded the Honourable Member that he was travelling outside the limit of his amendment.

The Honourable Rao Bahadur Joshi continued:—

What I wish to point out is, how it is now sought to enlarge this penalty instead of reducing it. It is further proposed to add a new class of offences to the schedule of offences for which not even the Penal Code prescribes a penalty so severe as forfeiture of property. I submit, the existing penalty in itself—let alone its proposed enlargement—is open to grave objection, and my amendment seeks to limit it to the life-interest of the offending Watandar. He who offends must of course suffer, but to make those who have absolutely nothing to do with the offence suffer likewise—simply because they happen to be his co-sharers in the Watan—under the law of inheritance—is opposed to justice and equity. And the penal clause requires amendment.

Sir, the issue before us is one of serious import. It affects the interests of the whole body of Watandars. These Watandars form the backbone and mainstay of our whole village

administration, and its success depends on their contentment and loyal devotion to duty. I think, anything that tends to lower their status, or weaken their position, or interfere in any respect with their cherished rights and privileges is most earnestly to be deprecated, and I would respectfully appeal to the Council to consider whether it would be right to sanction not only the retention of a penalty in itself so unfair—but its proposed enlargement, or reduce it so as to make it more equitable and just. And with this observation, I beg to leave my amendment in the hands of the Council in the confident hope that it may commend itself to their judgment and approval.

[The amendment was put to the vote and lost.

Hon. R. B. G. V. Joshi subsequently moved an amendment defining lineal primogeniture as continual descent to the eldest member of the eldest branch, in exclusion of nearer members of younger branches. The motion however was lost.]

RULES FOR CONDUCT OF BUSINESS AT MEETINGS OF THE LEGISLATIVE COUNCIL.

In the session of the Bombay Legislative Council held at Bombay on 26th January 1911, the report of the Select Committee* appointed to consider the new rules framed for the Conduct of Business of the Legislative Council was submitted, and a motion was brought forward proposing the adoption of the new rules. In criticising the rules Hon. R. B. G. V. Joshi moved certain amendments. In doing so he said :—

* The Select Committee was appointed in the Council session held at Poona on June 27th, 1910, on the motion of Hon. Sir John Muir Mackenzie. The lines on which the revision of the existing rules was conducted may be seen from the following extract of his speech :—

"The existing rules for the conduct of the business of this Council were last amended in 1896. The passing of the Indian Councils Act, 1909, has necessitated some minor alterations in the rules, and Government think that this opportunity should be taken also to remedy certain defects, which have been found to exist in those of the rules, which refer to the conduct of legislation. The present rules on this subject are obscure and unsatisfactory in many ways, especially in respect of the character of amendments and the stages at which they may be moved. This uncertainty is a constant source of trouble and the rules ought to be completely recast. The following is a succinct account of the procedure in respect of Bills in the House of Commons :—1. Leave to introduce.—Now obsolete, save in the case of important Government measures. 2. First Reading.—Now mere matter of form—No amendment or debate. 3. Second Reading.—Debate on principles of Bill—Discussion of details and amendments of clauses not allowed—The passing of the second reading settles the principles of a Bill. 4. Reference to Committee of the whole (House), or one of the recently created Standing Committees, which is a substitute for the Committee of the whole. At this stage the Bill is considered in detail clause by clause, amendments of clause are made, and new clause may be added. 5. Report Stage.—Bills reported from the Committee of the whole with amendments, or from a Standing Committee with or without amendment, come before the House for review of the work done in Committee. A Bill is not considered clause by clause but amendments may be made and clauses added. 6. Third Reading.—Verbal amendments only permitted. It will be apparent that our procedure is very different from that of the House of Commons. As against six or possibly seven stages, we have five :—(1) Introduction.—In most cases effected by publication. (2) First Reading.—Not a formality as in the House of Commons. (3) Reference to Select Committee. (4) Second Reading. (5) Third Reading. Our rules seem to have been framed on the supposition that our stages correspond to those in the House of Commons of the same name. Thus our Second Reading settles the principles of a Bill because that is done by a Second Reading in the House of Commons. This is of course a complete mistake. Our First Reading corresponds with the Second Reading of the House of Commons, our Second Reading with the Report Stage, and the Third Readings alone are the same. Hence the First Reading should decide the principles of the Bill, upon which no debate should afterwards be permitted. At the Second Reading amendments must be limited to alteration of clauses which do not affect the principles of a Bill; and at the Third Reading verbal amendments only should be allowed as at present. We propose then that the existing rules dealing with legislation should be revised on these lines."

Your Excellency,—The rules of business which have now been moved for our adoption come up before us as revised by a strong Select Committee, presided over by the Honourable Mr. Morison, and in moving the few amendments of which I have given notice I cannot begin without expressing my humble appreciation of the care and attention which have been evidently bestowed on their revision. My amendments are but few, and relate chiefly to the rules governing the conduct of legislation. Rule 15, sub-rule (2), is the first rule which I would ask the Council to take into consideration and I propose that it should be omitted. It refers to written speeches and provides that speeches, which are not printed and copies of which have not been supplied to the members, are to be taken as read and are to form a part of the proceedings of the Council at the discretion of the President. This is a procedure to which obvious objections lie, and I submit no sufficient reason has been assigned for the insertion of this sub-rule which is a new sub-rule and does not exist at present. With regard to the other amendments, they all group round one function and that is the passing of the Bills.

I have no further remarks to submit. I would only say that this new sub-rule lays down a procedure which is opposed to all reason, and ought to be dropped, even though it rests on the discretion of the President to decide whether a certain written speech should be taken as read or not. I propose by way of amendment that it be omitted from Rule 15.

[The Honourable Râo Bahádur Joshi's first amendment (1) was then put to the vote and adopted.]

The Honourable Râo Bahádur Joshi in moving his other amendments said:—

Your Excellency,—My next two amendments refer to rule 28 and part of rule 29. These rules deal with the initial stage of legislation. They refer to a motion for leave to introduce a Bill. In constitutional countries when such leave is asked for, it is for the legislature to say whether it may be given or refused. If the legislature is satisfied that a practical necessity exists or that a state of things has risen that necessitates the proposed legislation, it may allow permission for the introduction of such legislation, or otherwise it may refuse to give permission. It is a peculiarly legislative function. But the rules under consideration allow the Executive

Government to publish any Bill—whether it be a Government Bill or a private member's Bill—in the *Government Gazette*, and make it obligatory on the Council to accept such publication as a formal introduction of the Bill. The rules thus transfer to the Executive Government a power and a function which ought to rest and which do rest, as far as I know, in all constitutional countries with the legislature. I think it is a legislative function and ought to rest with the legislature. I propose :

(2) In rule 28—(*a*) for sub-rule (*1*) *to substitute* the following sub-rule, namely :—"(*1*) In the case of every Bill, there shall be a motion for leave to introduce it."; (*b*) for sub-rule (*3*) *to substitute* the following sub-rule, namely :—"(*3*) The mover may explain the object and scope of the Bill and his reason for asking permission to introduce it."; and (*c*) *to delete* sub-rule (*6*).

(3) In rule 29 *to delete* sub-rule (*1*).

Sub-rule (6) of rule 28 runs thus :—"Provided that the Governor may order the publication in the *Bombay Government Gazette* of any Bill, although no motion has been made for leave to introduce it. In such case the Statement of Objects and Reasons shall be published with the Bill."

Sub-rule (1) of rule 29 is as follows :—"The publication in the *Bombay Government Gazette* of a Bill under sub-rule (5) or sub-rule (6) of the foregoing rule shall be deemed to be the introduction of the Bill."

I propose that these sub-rules be dropped and all Bills be treated in the same way, that every Bill should be introduced formally and moved. That is the procedure followed in constitutional countries, and that is the procedure I would ask the Council to adopt for our guidance.

In reply to the criticisms on his amendments the Honourable Râo Bahádur Ganesh V. Joshi said :—

Your Excellency,—I did not base my amendment on the distinction between a private member's Bill and a Government Bill. I quite agree with my Honourable friend Mr. Ibrahim that Government has the power to publish any Bill which may be either a Government Bill or a private member's Bill and that it may order the publication of such a Bill. But the rules make

it obligatory on the Council to accept such publication as a formal introduction of the Bill. In constitutional countries, when any particular kind of legislation is desired, it is for the legislature to decide whether it is necessary or desirable. It is a question of initiation of legislation, and when a private member or a member of Government comes forward and says that some particular legislation is necessary, the legislature has to satisfy itself that a practical necessity for such legislation exists; and if the legislature is so satisfied that a case has been made out for the new legislation, it allows the permission asked for, otherwise it refuses permission. Cases have occurred in this Council in which a majority of non-official members would have felt themselves justified in refusing leave even to such initiation of legislation by Government. But the broad ground—the constitutional ground—on which the proposed amendment rests is this—that it is a function of a legislature to decide whether any particular Bill should be introduced or not, and I think we have a right to ask that the Council should not be deprived of any opportunity at this stage to decide on this important question of initiation of legislation. It is an important stage and the Council should have an opportunity of giving a final decision on such questions. The amendment no doubt marks a departure from the existing practice in the Presidency—but is in accordance with the accepted procedure in all constitutional countries.

[The Honourable Ráo Bahádur Joshi's amendments Nos. 2 and 3 were put to the vote and lost.]

His Excellency the President suggesting that the other amendments be taken together, the Honourable Rao Bahadur Ganesh V. Joshi moved them in a speech as follows :—

Your Excellency,—Taking these amendments together, I submit the most serious objection to the revised rules is that the procedure they propose utterly lacks method and logical sequence. They mix up in a most confused and illogical way the various stages of discussion—which ought to be kept distinct and separate and which ought to follow in regular order. Now, to begin with the first reading stage—in constitutional countries what is usually done is this. When leave is granted to introduce a Bill, the Bill is allowed to be read, and if the legislature considers that the Bill is worth entertaining, it allows the first reading of it and allows it to be printed, but not before passing the first reading.

After the passing of the first reading, it is printed and published. Now, the rules before us take us further. Under them at the first reading we are allowed not only to read the Bill and to entertain it and to decide whether it is worth considering, but also to enter upon a discussion of the principles underlying it. This is not done elsewhere. But even here though we are allowed to consider the principles of a Bill at the first reading, there is no final decision come to about them. The whole question is left open and the Bill is read a first time. After the first reading is carried, the Bill is to go to a Select Committee with the principles undecided and unsettled, and my difficulty is to see what the Select Committee is to do. What are the functions of a Select Committee? Is a Select Committee to consider questions of principle as well as questions of detail, or are its deliberations to be confined to questions of detail only? The practice elsewhere in constitutional countries is to leave questions of detail to Committees. The Committees may be Select Committees, or Standing Committees, or Committees of the whole House, but their function is to consider questions of detail only. Questions of principle are entirely for the legislature to decide. If the legislature were to leave these questions of principle to the Select Committees to decide, then it would be abandoning one of its most important functions. Now, if the questions of principle are so reserved to the legislature and if we refer a Bill to a Select Committee without settling its principles, how is the Select Committee to consider questions of detail or revise or recast the Bill? This is my second difficulty. In constitutional countries the committee stage comes after the second reading, *i. e.*, after the principles of the proposed measure have been settled, so that the Select Committee may be in a position to consider the clauses in reference to such principles. But under the revised rules before us the Select Committee stage comes after the first reading, and I do not know what is proposed to be done in the Select Committee. How is the Committee to proceed, having no settled principles for its guidance? How can it examine the clauses—the details—except in relation to such principles? Then, again, we are taken to a further stage—the second reading stage—and here also we do not come to a decision on questions of principle. The questions of principle are kept hanging on, and no decision there is insisted upon. Immediately after the second reading, we are asked to consider the Bill clause by clause. Now, I ask, how is that consideration of the Bill clause by clause to be entered on unless we have first

settled the principles? We cannot possibly consider clauses in that way. And such consideration of the clauses of a Bill must be incomplete, desultory and aimless. After that the rules provide that questions of principle and questions of detail be taken together. Thus the consideration of the Bill clause by clause and the discussion of principles go hand in hand almost to the end of the chapter. This is a most curious procedure. I beg to submit that these stages should be kept distinct and questions of principle be separated from questions of detail. We have been just told that it is very difficult in many cases to draw a line of demarcation between principle and detail. But I say the central principles—the fundamental principles—the principles that go to the root of the legislation—can be easily distinguished without much difficulty from the details The legislature having decided questions of principle, it should be left to the Select Committee to revise and recast the details of the Bill. These cannot obviously be discussed in large legislative assemblies but have to be delegated to small committees such as Select Committees. In constitutional countries, the Select Committee stage comes after the second reading of the Bill and not after its first reading; but here the whole procedure is reversed. Questions of detail are to be kept open until we come to the end of the discussion. The discussion of the Bill is thus proposed to be closed and the third reading is of course simply a matter of form. If there are verbal amendments, they should be considered, otherwise the Bill should be taken as passed. The different stages of legislation should be generally these: first, necessity of legislation; secondly, the principles of the legislation proposed; thirdly, details of the legislation; and lastly, verbal amendments. These are stages which are clearly more logical and better than those that are laid down in the rules before us. This is the House of Commons procedure which I would ask the Council to adopt. This is the tried procedure of centuries, and it is this which I proposed in my amendments. It is much simpler than what is proposed here; it divides the legislation into more natural and logical stages, and if that procedure is followed, the Council will have all the opportunities it is entitled to with regard to the initiation and consideration of legislation. With these few observations I would submit my amendments for the favourable consideration of the Council. I therefore beg to propose:

(4) In rule 33—(*a*) for sub-rule (1) *to substitute* the following sub-rule, namely :—" (*1*) On the motion for the first reading, the debate on the Bill shall be confined to its general character and scope, no amendments being permitted," and (*b*) *to delete* sub-rules (*2*) and (*3*).

(5) For rules 34 and 35 *to substitute* the following rules, namely :—" 34. (*1*) The first reading being carried, the second reading of the Bill shall be moved. (*2*) The principles of the Bill only shall be discussed at this stage. (*3*) Amendments to the principles of the Bill may be moved. (*4*) Seven clear days' notice of such amendments shall be given to the Secretary." " 35. The second reading being adopted, the Bill may be referred to a Select Committee."

(6) (*a*) To insert the following rule as rule 36, namely :— " 36. (*1*) On presentation of the Select Committee's Report, the Bill as amended by the Select Committee shall be considered clause by clause. (*2*) Amendments to clauses may be moved ; and new clauses, if necessary, added. (*3*) Seven days' clear notice of such amendments and motions for new clauses shall be given to the Secretary. (*4*) The Bill may be recommitted to a Select Committee, if the Council deems fit" ; and (*b*) to renumber rules 36 to 45.

[The amendments were put to vote and lost.]

A BILL FOR THE REGISTRATION OF CHARITIES.

A Bill for the registration of Charities, excluding religious charities, was moved by the Hon. Mr. Ibrahim Rahimtoola in he session of the Bombay Legislative Council held at Bombay on 26th January, 1911. In criticising the motion for leave to introduce the Bill, the Hon. R. B. G. V. Joshi said:—

Your Excellency—the motion before us is a motion for leave to bring in legislation with a view to establish some kind of State-control over charitable trusts—not exclusively religious. Purely religious trusts are to be excluded from the scope of the Bill. But as far as Hindu charities are concerned, most of them are religious charities with a secular element in them; and will not be kept out. Take any temple endowment, and you will find that besides religious worship or observances, there is some provision in it for the feeding of the poor or for repair or maintenance of the building.

Looking to the main purpose of the Bill—the establishment of statutory State-control over charitable trusts,—the first remark that I have to submit is that such State-control does not exist in any Province in British India, nor does any exist—as far as my inquiries go—in any of our Native States. We had none such in the old days of native rule. The *Times of India* says, there is no country in the world where there is such a large amount of property held in trust for charitable purposes—in relation to the wealth of the population—as in India; and I submit, it is also true that there is perhaps no country in the world where such charitable trusts are administered with greater fidelity and care. No State-control exists; but there is the control of public opinion which is found to be just as effective. I do not mean to say that cases of fraud and mismanagement do not occur. But such cases are few and far between, and it may be said with truth that these charities are on the whole administered with honesty and scrupulous care. Such being the case, the question occurs, where is the need for such legislative protection? What is there in the existing condition of things in this Presidency calling for such legislation? Has the evil of mismanagement grown to such enormous proportions on this side of India as to necessitate such State-control? Well, I confess, I am not satisfied on the point. This is, however,

the first Bill of the kind allowed to be introduced by a non-official member, and the subject is also one of great practical importance, and if we have any criticisms to offer, we shall have ample opportunities for doing so at later stages of the Bill. I will not therefore oppose such leave as is asked for being granted for the introduction of the Bill.

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On the Bill being brought forward for its first reading in the session of the Council held at Bombay on 14th March, 1911, in criticising it the Honourable Rao Bahadur Ganesh V. Joshi said:—

Your Excellency,—As pointed out by the Honourable the Advocate General, there is at present no comprehensive legislation in British India dealing with the administration of charitable trusts. It is a subject of immense magnitude, difficulty and perplexity, and it is only the Government of India who can deal with it in the comprehensive and effective way in which it requires to be dealt with. There is, besides, the cardinal principle of religious neutrality which applies to all legislation of this kind. Before the passing of the Religious Endowments Act of 1863, the Board of Revenue in Bengal and the Board of Revenue in Madras had supervision over charitable endowments, religious as well as secular; but in 1863 the Act was passed by which the Local Governments of Bengal and Madras were enabled to divest themselves of such directive and supervising control over these religious and semi-religious charities; and since then this principle of religious non-intervention in this respect has been laid down as a cardinal principle of policy, and I submit it would not be open to a Provincial Legislature to undertake legislation in contravention of that principle. It rests with the Supreme Government to decide how far that principle may be modified in legislation of this kind in sympathy with and in response to the changing public opinion of the country. My Honourable friend Sir Pherozeshah Mehta has argued that we may take up legislation in this Council dealing with the question as far as the Presidency is concerned. My submission, however, is that the principle of religious non-intervention is one of general application, and that all that is open to us to do in this Provincial Council is to enter on legislation of this sort, but the essential condition is that it must not involve any departure from this principle. There is at this moment in the Presidency of Madras a Bill of an analogous nature to our own before the local Legislature.

It has been brought forward—I don't know whether it had been introduced or leave has been asked for such introduction—by two non-official members, but the proposed legislation there is laid down on entirely different lines from those on which the Bill before us is framed. There in Madras they have got an excellent and admirable machinery—the agency of Local Committees—to supervise the administration of charitable trusts under the Act of 1863, and the object of the new proposed legislation in Madras is to improve the constitution and working of these local committees and give them effective directive control. With us in the first place, there is no like machinery to improve or arrange which can be entrusted to take over the administration of charitable trusts. If any such change is to be effected and with benefit to the public, we should, I think, have some such machinery of local representative committees as exists in Madras and Bengal. Instead of aiming at the creation of such machinery, the Bill before us entrusts the whole matter to a Departmental organization presided over by an official chief working the whole machine through Registration and Audit. This is to my mind the weakest feature of the Bill. It is a feature to which the strongest objection lies. As pointed out by the learned Advocate General, what we want in this matter is helpful supervision. It is not simple control but helpful supervising control by a Board composed of representatives of the various communities to which the charities belong. A Board resembling the Board of Charity Commissioners in England with like powers and functions would be the best agency to deal with charitable trusts in the Presidency working through local committees. Such a system would cause no irritation and excite no opposition. But there are other difficulties also in reference to this Bill before us. There is the definition of charitable trusts. The Honourable mover in charge of the Bill has told us that he took it from the Religious Endowments Act of 1863. The definition, however, is not to be found in that enactment. It is taken from the Act of 1890 relating to charitable endowments only with an addition of the words "Religious Observances." The definition is so comprehensive that it brings within the purview of the Bill not only secular charities but charities which are even semi-religious. Purely religious charities are excluded from it. Hindu charities are most of them religious charities but with a secular element in them, and it would be no easy matter to distinguish the religious from the secular elements. Who is to draw the line dividing off the one from the other? Who is

to say which portion of the charity is religious, which secular? There were similar difficulties in Bengal and Madras when the Religious Endowments Act of 1863 was passed, but that Act provided a simple remedy. It left the matter to be decided by committees—in the first place to the Board of Revenue and afterwards the matter was left to Local Committees working in their own way, and the Governments divested themselves entirely of all connection with and control over the administration of these religious and semi-religious trusts. The Act of 1890, as the Honourable the Advocate General observed, is a permissive Act; it leaves open to authors of the trust to register them or not. The Bill before us makes such registration compulsory in all cases—only purely religious charities are excepted. Registration of trusts is however a most difficult thing, at all events in this Presidency. In the case of so many of our Hindu charities, it is a disputed question whether the trusteeship belongs to one branch of the family or to another. There are numerous disputes at this very moment in the Civil Courts on this point; and further, questions also must arise as to who are the trustees in charge of particular trusts, what is the rule of succession with regard to trusteeship—whether it is a rule of primogeniture or rotation on equal succession, etc. Besides, in the case of many of our charities in this Presidency, no instruments of trusts exist. Before the Act of 1863, known as the Summary Settlement Act, instruments of trusts were examined and registered and settlements made. In 1863 when the Summary Settlement Act was passed, such inquiry into instruments of trusts was dispensed with, and the Devasthan and Varshasan lands were settled in a summary manner. Questions like these will come up when the registration of charities is taken in hand. Extensive litigation must needs follow. So also as regards audit—another remarkable feature of the Bill before us. It is apparently a simple matter, but we know what an audit of accounts actually is. Accounts have to be kept and vouchers produced before the auditors can be satisfied; and if the auditors do not pass the accounts, what is to be done with regard to the administration of the trusts concerned? Are the

trustees to be suspended from office? Are they to be dismissed? Or are they to be prosecuted in the Criminal Courts for breach of trusts? So many questions will crop up and the Bill contains no provision to meet such cases of failure. In my opinion the Bill is altogether a defective measure and unless it is recast and put in a new shape altogether in Select Committee, I think it will be found, as the Honourable the Advocate General says, not only ineffective for the purposes for which it is intended but it will do more harm than good. I will not however oppose the first reading of the Bill, and would allow it to go to a Select Committee in the hope that it may be so recast and revised that it may be made more effective for the purpose it is intended to serve and do good rather than harm.

EXTENSION OF PRIMARY EDUCATION.

In the meeting of the Bombay Legislative Council held at Bombay on 13th March, 1911, the Honourable Rao Bahadur Ganesh V. Joshi while moving his resolution said :—

Your Excellency,—The first resolution which stands in my name is as follows :—

"That Government may be pleased to make provision in the Budget for the opening of 500 new primary schools by raising the assignment under Item No. 176 to Rs. 1,50,000, the increased expenditure under this head being met by a corresponding reduction either in the Public Works or Police Estimates."

After the very gratifying announcements which have been made to us just now about increased grants for various educational objects, it is a matter for regret that the provision for new Primary Schools is not going to be for the next year so liberal as in the two preceding years. Last year we had provision for 500 schools. The same provision has been made in the current year's Budget; but in the next year's Budget it is proposed to cut down the assignment to about a third. In a year of such surpluses and such liberal grants for various objects, educational, sanitary, etc., it is to be regretted that it has been considered advisable to cut down this provision for elementary education. It has been explained to us in partial justification of the proposal to cut down the provision for new schools, that it is the object of the Government to level up the existing institutions and devote to that purpose all the additional funds at their disposal. I entirely subscribe to the view that improvement in the existing schools is necessary and desirable, and appreciate the liberal spirit in which the Government propose to devote these additional funds to such improvement. We must have good schools—schools with good teachers and with all the necessary equipments; but the work of extension is no less important and no less urgent in a Province where more than two-thirds of the villages have yet no schools and where 80 per cent of our children are outside the pale of education. In a Province so circumstanced, it will be admitted that the urgency of the work of expansion of Primary Education is just as great as that of the work of improvement. Indeed in the

present state of things no conflict can possibly arise between these two branches of the educational effort. We must have both improvement as well as extension of schools. Extensions first, and improvements may follow; or both simultaneously—these things may move forward and progress together but without interfering one with the other. As regards extension work, its magnitude may be measured by the fact that we have still 19,000 villages to provide with schools and 22 lakhs of our children waiting to be admitted inside the pale. Mount-Stuart Elphinstone, that great statesman of large and liberal heart, suggested so far back as 1823 that every village in the Presidency should have a school of its own under a school master who had a permanent place on the village staff and whose work should be remunerated by a watan rent-free holding. Had this idea been carried out, we should have had at this time a complete net-work of village schools all over the Presidency under Vatandar school masters, and this question of opening new schools would never have arisen. Unfortunately the great statesman's scheme was thrown out and the result is that after more than half a century of State effort, we are faced wish this fact that we have been able to give schools just to 6,000 villages and no more; and between 18 and 19 thousand villages are unprovided with education facilities. This is a most humiliating fact that confronts us and for which nothing can atone.

Now, let us for a moment consider what has been the rate of extension in the past years. I will not go back to the days of the Board of Education, but will start with the year 1855 when the Department of Education, was first created—a Department over which the Honourable Mr. Sharp now so worthily presides. In that year 1,000 Primary Schools were already in existence, so that in half a century we have been able to open only—5,000 new schools or about one hundred a year. Coming to recent years and taking the twenty years 1884-85 and 1903-04—exact figures for earlier years are not available—we find that we have had only 270 new schools during the period, that is to say about 13 or 14 schools a year. Lord Curzon's Government however strongly condemned such neglect of a most vital and sacred interest of the nation and in 1905-06 we had a large increase—600 new schools in one year. In the following three years however there was again a sliding back and we have had in these years only 164 schools or about 55 schools a year. In 1908-09 however there came a change—a most gratifying change. The Education Department reviewed the position afresh and decided upon a new departure. A list was prepared in the Office of

the Director of Public Instruction of villages where schools could with advantage be opened. The Honourable Mr. Sharp stated in his annual Report that 1,655 new schools could be opened in three years' time or so. Last year—1909-10—500 schools were accordingly opened; this year also the number has been again 500 or a few less. Two-thirds of the programme of the Department has thus been put in hand, but there still remains an unexhausted portion of the programme. Six hundred of the listed villages remain to be provided with schools. But now we are told that having opened about a thousand schools—a few more than a thousand—in two years, it has been considered advisable to slow down the pace. It has been held that 500 schools a year is a very rapid—too rapid, a rate of expansion. Now having regard to the fact that we have so much ground to cover, 19,000 villages to furnish with schools—the goal is still far away in the distance. Even going at the rate of 500 schools a year, it will take us between 30 and 40 years to cover the ground and reach the goal so that no village shall be without a school of its own. Is that too rapid a rate of expansion—500 schools per annum? Education, Your Excellency, is like life and health the birth right of us all. It is the first necessary condition of a man's civic usefulness. To the masses it must mean a cultured intelligence, a fuller life, an increased standard of social and economic efficiency and higher plane of comfort and well-being. It's a most solemn obligation—and recognised to be so all over the civilised world—on the part of the State to make due provision for the education of its subjects. And when after more than half a century's efforts—I may say three-fourths of a century's efforts—we have this humiliating fact staring us in the face, *viz.*, scarcely one village in three has a school and but 20 per cent children in school, the rest growing up in absolute illiteracy—are we justified in holding that 500 schools a year marks too rapid a rate of advance? I am confident that the Council will join with me in urging the view on the attention of Government that far from being too rapid, it is rather a slow rate of progress and that the Education Department should be placed in possession of funds to enable it to carry out the unexhausted portion of its programme of 1,655 schools.

But it is said that there is a shortage of qualified teachers. It is argued that such teachers are not forthcoming. There is a scarcity of teachers and evidently new schools can't be started without teachers. No one would of course deny such an obvious proposition. If the reference is to trained teachers,

I at once admit the difficulty is only too real. The supply from the Training Colleges is entirely inadequate to meet the demand. While we require some two thousand men a year, the supply is 400 or even less. Even at this moment half our schools are under untrained Head Masters, and a very large portion of Assistant Masters are also untrained men. We have however more than two thousand such trained assistants, many of whom are in our Vernacular schools, and if these 500 new schools be opened trained assistants may be sent to take charge of them and their places may be filled by certificated men from superior Vernacular schools. We have a very large number of such certificated men and I find from a reference to the statistical appendix to the annual Report of the Education Department that we have over 6,000 men passing the higher tests in vernacular studies year after year—the VI or the VII standard of the course; so if trained assistant masters are placed in charge of the new schools and their places are filled by certificated men—of whom there are so many—the difficulty arising from scarcity of teachers in the way of opening new schools can be fairly got over.

But there is another difficulty which is pointed to as almost insuperable. If schools can't be opened without teachers, so neither can they be opened without boys. Quite true. But such cases must be but very few. Now that one thousand new schools have been opened in two years, I ask how many of them have had to be closed for want of sufficient attendance? But even in this matter of insufficient attendance, I can quite conceive that there might be cases of failure here and there. We cannot expect it to be otherwise in our present circumstances. It was not otherwise even in Europeau countries where education is now universal. We may take the most advanced nation in Europe—I mean educationally—Prussia. Even in this country there was the same experience—failure of attendance—before the establishment of the compulsory school system. Fredrick the Great and his father used to go about starting schools, beating up boys for them—and where they found parents obstinate enough not to send their children to school, even whipping them into doing so. After a century's experience, however, the statesmen of Prussia found that a considerable number of children were still not in the schools and came reluctantly to the conclusion that a voluntary system of school attendance was a failure and that there were considerable tracts in the country where children could not be got together to attend schools without the aid of the Law.

Eventually they had recourse to the law of compulsory education for Prussia about the year 1815 and now every child there is in school. Similar was also the experience in France and in fact of almost every other country where resort had to be had to legislative compulsion in the matter. In India we cannot expect people to appreciate the benefits of education—steeped as they have been in ignorance and illiteracy for generations. Still I maintain that though so steeped in ignorance and without education, the fact that they patronise so many of our schools and that so many of our village communities go on asking for schools—for I am told that there are so many applications before the Director of Public Instruction from villages in the Central Division for new schools that he is not able to comply with them all—this fact I submit redounds greatly to their national character and testifies to the moral force of their educational traditions. But despite these facts, I am ready to concede failures must occur, and here and there parents will be found and village communities come across, who will not patronise your schools, who will not support your schools, who will not give you buildings for your schools and who will not repair damages to the school-houses where any occur. Village communities may be found in isolated tracts not only ignorant of and indifferent to the benefits of education, but even hostile to it. Such cases, should they occur over considerable areas, would furnish a strong justification for a law of compulsory attendance. But taking all things into account and on a general view of the position, there is overwhelming evidence that there is a general appreciative desire throughout the Presidency to have more and more schools, to have more and more of education and enlightenment. This cannot be denied and I think that in the face of such a universal desire for education nothing ought to prevent us from marching to the goal with well-regulated steps. Let us go on undeterred by apprehensions of occasional failure through unsatisfactory attendance or scarcity of qualified teachers. Let us not be deterred by difficulties such as these which can be got over from maintaining the rate of advance to which we have committed ourselves. 500 schools a year is certainly not too rapid a rate of expansion and I would ask the Council to support me in my appeal to Government to increase the provision for new schools in the coming year's Budget to the level of the past two years so as to enable the Honourable Mr. Sharp to carry out the unexhausted portion of his educational programme of three years ago.

With these words I will move the Resolution which stands in my name. I will only add one remark. The additional funds that may be required may be obtained by a corresponding reduction in the Public Works or Police Estimates. I should be sorry to touch the Police estimates. I consider the Police service is as important as the educational service. The Police charges however have shown an enormous expansion during the last few years, and have gone up at the rate of 8 lakhs a year. The total expenditure has increased by full 35 lakhs during the last 7 years, and I submit that a lakh or so we require for new schools may without difficulty be cut out of the Police Budget. If however I cannot get from the Police Estimates the money that is required for education, I would suggest it might be got from the provision for Civil Works in the Public Works Estimate. Expenditure on Civil Works has advanced by leaps and bounds. Just 9 years ago it was a little over 44 lakhs and the figure in the next year's Budget is more than 88 lakhs, that is, the amount has nearly doubled. There are two branches of Public Works—civil buildings and communications. As regards communications, I have not a word to say. The more money is spent on communications, the better it is all round—for the cultivators, for the traders, for the general public. But the expenditure on Civil Works I think may be spread over a larger number of years. Our expenditure on such works is the largest in India. The Madras Presidency with a larger area and a more numerous population spends about 25 lakhs a year on such works, while we here spend over 39 lakhs; the United Provinces spend 20 lakhs and the Punjab is content with 14. Thus the money that I want for the new schools may be cut out of either of these estimates—Police or Civil Works—and education for the rural parts may be provided for on the same scale as the Government has been pleased to provide in the current year's and the preceding year's Budget. Commission after commission—the Famine Commissions, the Deccan Riots Commission—who have had to inquire into the economic condition of the rural parts of the Presidency, have more than once urged that the salvation of the cultivating classes who form the vast majority of a population lies in the spread of Primary Education. And yet, as we have seen, as a consequence of past neglect and inattention—partly also through a policy of drift, the provision of educational facilities for the rural parts has been left so inadequate. So many villages still without schools and the bulk of our village children without schooling of any kind. It

is no use however regretting the past. The past is past and let the dead past bury its dead. Our concern is with the present and the future. We see the work that lies before us, its magnitude and extent and the solemn duty it imposes upon us. No village without a school and every child in school—this is the goal we have before us. Let us follow the path of duty straight on and march to the goal in as short space of time as we can. With these remarks I beg to move my resolution.

In replying to the long and lively debate over his resolution, the Hon. R. B. G. V. Joshi said:—

Your Excellency—My Honourable friend Sir Pherozeshah Mehta has already replied to most of the criticisms directed against the resolution which I have the Honour to submit, and has done so with his usual eloquence, vigour and ability. There is one side-issue which I must beg leave to notice. It is in regard to the way in which additional funds are to be obtained for the increase of schools I propose. My suggestion is that the increase in the expenditure might be met by a corresponding curtailment in the Public Works estimates. It has been argued that these estimates cannot bear any such reduction. Now, my suggestion does not apply to expenditure on communications. Nor do I propose that the increased expenditure should be provided for from the amount assigned for repairs to buildings. That is a thing that has to be left aside untouched. But there is a large amount for new works, and what I wish to urge is that the programme of such works might be usefully spread over a longer period than is contemplated. Some nine years ago the Public Works Department was satisfied with 44 lakhs; it has now more than 88 lakhs and cannot spare a lakh or so that I require for Primary Education! I can quite understand that the money assigned to the department will be all well and usefully spent. But the question is whether smaller expenditure would not suffice for the purpose. I don't suggest that any of the works should be given up. I only say their prosecution may be spread over a longer period of time. There are no doubt certain works which must be put in hand at once; but there are others which may well be delayed and postponed. This is one of the directions in which reduction in the Public Works estimates can be effected without inconvenience. But should it be found impossible to cut out from the Public Works estimates the requisite amount, I would appeal to the Police Department and ask it to surrender the needed funds for my purpose.

From this side-issue I will pass on to the Honourable Mr. Sharp's speech. I have listened with great interest and pleasure to that part of his speech in which he announces the contemplated improvements in the accommodation and equipment of primary schools, in the pay of the teachers, and so forth. Such improvements are absolutely necessary and cannot be carried out a day too soon, and it is a pleasure to be assured by the Head of the Department that these things are going to be taken in hand at once and pushed through. But there is one remark to which I have listened with some pain, and not without surprise, and it is that there is no genuine demand for more schools in a large part of the Presidency. I have read a good many annual reports of the Education Department and I think I can quote from them numerous passages in which the Department confesses its inability to supply such popular demand for new schools. Many years ago, Sir James Peile, who was in charge of this department, reported to Government that so great and overwhelming was the demand for schools that he absolutely despaired of meeting it unless more funds were allowed for the purpose. So also said Mr. Chatfield who succeeded him as Head of the Department; and so too said Mr. Giles after him; and lastly the Honourable Dr. Selby, who retired but a few years ago from the Headship of the Department, pointed out in his report to Government that unless more money was placed at his disposal, the limits of expansion of Primary Education must be held to have been reached. So, Director after Director of Public Instruction has been asking for more and more grants in order to be able to satisfy the requirements of the villagers who have been pressing for more schools. None of them ever doubted the genuineness and strength of the popular demand for education; they only regretted that financial difficulties stood in the way of their complying with it. Now, however, the Honourable Mr. Sharp tells us that there is no real thirst for education amongst the people—a circumstance to which he attributes the fact that 80 per cent of our children are still left out in the cold outside the pale—ignoring the fact that there are no schools within reach for children to go to over a large part of the Presidency. Well, I don't know on what grounds the Honourable the Director of Public Instruction comes to so disheartening a conclusion. I will only say that this is a conclusion which is opposed to the unanimous testimony of his distinguished predecessors as well as to the opinion of those who are in touch with rural Bombay. Even in the last year's annual report of

the Department, Mr. Prior, Educational Inspector, Central Division, says that there is a genuine demand for new schools in the Central Division which we ought to supply but have not yet supplied. Should it, however, be found on experience that there is no desire for education and no appreciative interest taken in it by the people—which tends to retard the progress of Primary Education in the Presidency—if experience shows that —then as I said before it would be a clear case for compulsory education. Your Excellency, this matter of education is a national concern; it is the right, it is the duty, it is also the interest—as Lord Macaulay put it—of the State to see that there is the widest possible diffusion of education amongst the people. Both the State and the community have a vital interest in this, and if people show apathy, indifference or hostility in any part of the Province, it would be necessary to overcome it by the aid of the law. But that contingency is, as far as indications go, a remote one and need not concern us at the present moment. For the present, the question before us is this, whether the unexhausted portion of the programme deliberately laid down by the Department three years ago should be duly carried to completion during the period. We have had extension at the rate of 500 schools a year these two years, but this year before the programme is complete, there is a cry for "halt". Some say we must go more slowly. I confess no case has been made out for such slowing down of the pace and I would appeal to the Council to support me in the resolution which I have the honour to move, and join with me in my request to Government to place adequate funds at the disposal of the Honourable Mr. Sharp to enable him to carry soon the programme which he has deliberately and carefully laid down.

[The resolution was put to the vote and was defeated.]

TRAINING OF TEACHERS FOR PRIMARY SCHOOLS.

In moving his resolution on the subject in the meeting of the Bombay Legislative Council held at Bombay on 13th March 1911, the Honourable Rao Bahadur Ganesh V. Joshi said:—

If I understand it aright that the imperial grant is a non-recurring one, then I beg leave to move the resolution which stands in my name. Your Excellency, the resolution I have the honour to submit for the acceptance of the Council is this:—"That Government may be pleased to raise the provision for the training of teachers for primary schools (item No. 174) from Rs. 30,000 to Rs. 1,00,000, the increase being met from Public Works Estimates." Having regard to the explanations which have been given to us with regard to the Public Works estimates by the Honourable member in charge of the finance, I would beg Your Excellency's permission to put in the word "Police" in place of "Public Works" in my resolution.

His Excellency the President ruled that the Hon'ble member could not alter the terms of the resolution at that stage. He must keep it as it stood.

At this the Honourable Rao Bahadur Ganesh V. Joshi continued:—

Your Excellency, I beg to stick to the wording of my resolution as it stands. The main ground on which I beg to move this resolution is that the existing supply of trained teachers is altogether inadequate for our requirements and that the provision made in the Budget in this regard should be largely increased. As it is, we have only seven training institutions in the Presidency—one training College in each division, one training School at Dhulia, one training College at Rajkot, and a normal Mission Class at Ahmednagar. The Nagar class trains teachers only for Mission schools. For general purposes there are only six institutions, five of which are maintained by Government and one by a Native State. The attendance at these institutions taken together is only 1,200, and the course of instruction is a three years' course. The annual supply from these institutions of trained masters is

only one-third or thereabouts out of the total number on the rolls, say, about 350 or at the outside 400. Now, let us see how this supply compares with the demand that exists. The strength of the teaching staff in our Primary Schools is in round numbers 20,000 men. There is no official estimate of the annual wastage caused by death, resignation or retirement, etc. But it may be put at about 8 per cent which comes to about 1,600 men. That is to say, we require 1,600 new men for the existing number of schools. More teachers are also required as new schools are opened year after year and we have to add the number required, and the total annual recruitment comes to about 2,000. Thus, while we require 2,000 new men every year, our training institutions turn out 350 or 400 only or barely one-fifth of the total number required. Surely this is not as it should be, and I propose that the provision for training institutions should be considerably enlarged in view of our growing requirements. It is obvious that without an adequate supply of trained teachers—trained in the theory and practice of teaching,—no healthy development or improvement of vernacular education can be looked for, and I therefore suggest that provision be made for the training of at least 600 men every year and that the additional cost on the account which comes to about a lakh a year may be met out of the Public Works Budget.

This question of an extended and adequate supply of trained teachers for Primary Schools is not a new one. It has been before Government for well nigh half a century. In fact it has been so ever since the Court of Directors in their education despatch of 1854 laid special stress on a proper organization of such training institutions in connection with their new scheme of Primary Education in India. In the first few years much attention was given to the development of this branch of the general educational machinery in India. The matter received much attention on our side too and much was done to improve matters in this Presidency and we had at the end of 1868 eight normal institutions including one at Kolhapur and the normal schools of Surat and Sukkur. The number of schools in the time of Mr. Howard—an honoured name in our educational history—was about 1,000 and he considered that the supply of trained hands for the schools was inadequate even from these eight schools and proposed to Government that there should be a normal school in every zilla; but his scheme was not sanctioned. Sir James Peile who succeeded him as Head of the Department made similar representations to Government;

but the eternal want of pence stood in the way and nothing was done. He however instituted what was known as the pupil-teacher system. These pupil-teachers were trained and taught in superior vernacular schools under the guidance of experienced Head Masters and after a course of two or three years' study they were put in independent charge of Primary Schools. This system of pupil-teachers was maintained for many years. Then came the Education Commission of 1882. A large amount of evidence was put before it pointing to the necessity of increasing the number of training schools for the Presidency. Witness after witness urged before the Commission that the existing supply of trained teachers was altogether inadequate and that there could be no improvement in our Primary Schools unless there was a substantial increase in the provision for the training of teachers. Dr. Bhandarkar went so far as to suggest that there should be a normal class in every superior vernacular school. The Education Commission concurred in this general view of the matter and recommended that additional normal schools should be provided and that they should be as far as possible localised so that every zilla should have a school of its own for the training of teachers for its village schools. Two years past by and nothing was done to give effect to these recommendations of the Education Commission; and Sir William Lee-Warner who had temporary charge of the Department noticed the fact that a large number of schools were still under untrained Head Masters, and submitted for the consideration of Government proposals for the establishment of a number of training schools in the various zillas under the control of the District Local Boards. These proposals were under consideration for some time, and in a Resolution on Sir William Lee-Warner's annual Report, Government said that they regretted that the existing number of training colleges was inadequate and suggested that proposals should be framed and submitted for an increase in their number. We do not know what happened afterwards; but there the matter stood and there it still stands. The number of training institutions has gone down—the Kolhapur school gone and the Surat and Sukkur classes too are gone. The system of pupil-teachers is also gone, and we are now face to face with the fact that we have only five training institutions maintained by Government besides the College at Rajkot and a Mission class at Nagar in place of the eight or nine institutions we had in the first years after the Court of Directors' Despatch. I ought to mention that the Dhulia school was started in 1889-90 as a result on

Sir William Lee-Warner's recommendation. The number of students in these institutions is now much larger than it was years ago; but the supply is short—very short—and I think we all agree that unless the supply of training facilities for vernacular masters is increased and larger numbers are trained, it is hopeless to expect any appreciable progress in our Primary Schools or any improvement in their general tone and efficiency. Last year—I hope it is no breach of confidence to say so—it was stated in the Finance Committee that there was need for an increase of these institutions and the view was generally accepted. I pressed for an assignment of Rs. 75,000 for such increased provision; but after some discussion we all agreed to the assignment of Rs. 30,000 for the year as a compromise. I however then understood that the grant must be increased this year, but I find there is to be no increase whatever. The current year's provision is only repeated in the next year's Budget. This is I submit far from satisfactory. And I would propose that the provision for the training institutions may be increased by Rs. 1,00,000 so that the supply of trained teachers may be increased to 600. I submit this Resolution for the acceptance of the Council with some confidence and hope that the Council will agree with me that the efficiency and improvement of Primary Schools must depend exclusively upon the character and training and attainments of the teachers under whom we place them. For unless the teachers are acquainted with the methods of teaching and are otherwise qualified men, it is hopeless to expect that they can give proper tone and vigour to the institutions under their charge.

In replying to the vigorous debate over his motion, the Honourable Rao Bahadur Ganesh V. Joshi, said:—

Your Excellency,—The most painful feature of the debate is the attitude taken up in reference to this matter by the Head of the Education Department who ought to be the first to welcome such an increased grant as this for a purpose calculated to increase the efficiency of the institutions under his charge. But precisely it is he who does not accept the offer and says that he does not want the money! He does not know what to do with it and adds that it is no use training more teachers and increasing the supply of competent men lest there might be difficulty in future years to provide adequately for their pay. I ask what grounds are there for the apprehension that there might be such financial difficulty here-after. I see none.

When it is proposed that the teaching agency should be a trained agency to take the place of the present untrained, it follows as a natural corollary that there is in contemplation provision for increased pay to the trained agency, and every authority from the Directors of Public Instruction up to Education Commission who had recommended this measure and who have urged it for this Presidency on account of the inadequacy of the existing supply of trained men contemplate that in future years better pay would have to be paid to those men who are better qualified. If trained men are to be employed, they must be adequately paid for their qualifications, standing and educational attainments. There can be no question about that. It has been so contemplated by the Education Commission; it was so contemplated by Sir William Lee-Warner when he made his recommendations to Government, and there is no reason whatever for the fear that in future years it may not be found possible to make adequate provision for the pay of these trained men—an assumption on which the Honourable Mr. Sharp does not accept my proposal. As these training Colleges are developed and as there are more trained men for our schools, there will be and ought to be increased provision for their adequate remuneration. And assuming that such provision is made as it ought to be made in future Budgets, there remains no reason for resisting the proposition I have the honour to submit. As to Urdu schools I entirely agree with the Honourable Mr. Maulvi Raffiuddin that a training institution for Urdu teachers is necessary. One College for Urdu teachers is now a necessity in this Presidency; but we want also training schools for Hindu teachers. In the mofussil you will find, just as you will find in Bombay, that you cannot get trained teachers—Hindu or Urdu or other. So many of our schools are still under untrained men and a very large number of Assistants are even uncertificated men. It may also be remembered in this connection that in the course of the debate on Primary Schools the difficulty in finding competent teachers was urged as one ground among others for resisting my proposal for increase of schools. In view of these facts I submit that an increase in the supply of trained men and with it of training facilities for the training of teachers is absolutely required, and if the efficiency of Primary Education is to be improved and if it is the desire of Government that its efficiency should be so improved, I think it is on trained masters that our main reliance must be placed.

There is one point raised by the Honourable Mr. Rodda in this connection which I should like to notice. It is in reference to the opening of training colleges or normal schools. I don't know—I am not an educational expert—but there has been a divergence of opinion on this subject. In seven of our provinces the view prevails that there should be large central colleges for the training of teachers. But in the Madras Presidency another view is held. There they think that instead of a few central Colleges, almost every zilla should have a local, normal school of its own for the training of its school masters and this is also the view of the Education Commission. Accordingly in that Presidency at this very moment there are no less than 44 training institutions. Here we have only five colleges and two small schools. Well, whether we should have schools or colleges, the need is not denied that there should be the proper training of teachers—it may be two years' training or three years' training in the method and practice of teaching; and if that is recognised, I submit that the resolution I am moving deserves the acceptance of the Council.

[The resolution was put to vote and was lost.]

HIGH SCHOOL FEES IN BOMBAY.

At a meeting of the Legislative Council held at Bombay on 15th March, 1911, the Honourable Rao Bahadur Ganesh Vyankatesh Joshi moved the resolution :—"That Government be pleased not to raise the scale of fees in Government High Schools."

In doing so, he said :—

Your Excellency,—the resolution of which I have given notice is just an appeal to Government not to raise the scale of fees in Government High Schools. The decision of Government to raise such fees has been announced in a Press Note issued a few weeks ago. This decision has been come to on the strength of a recommendation contained in the Joint Report of the Divisional Commissioners to whom the whole question was referred. Last year, it appears, certain questions connected with Secondary Education were brought to the notice of Government by the Head of the Education Department. These questions were referred to the Divisional Commissioners for joint consultation and report. Accordingly the Commissioners held a conference to which the Director of Public Instruction was invited. The conference was entirely an official conference. No representative of non-official opinion was asked to attend and assist in these deliberations. Nor was there any attempt made to take the public into confidence on the most important questions which were so deliberated, discussed and reported upon. The report is before us togther with the decisions of the Government on the recommendations contained in the report. This Joint Report of the Divisional Commissioners—like the Joint Report on Survey and Settlement of Goldsmid and Wingate—is a most important document, and deals not with questions of detail but with questions of policy and principle in regard to secondary education. It would be entirely foreign to my purpose to enter on any examination of the new policy they recommend or the new principles they lay down in this most important matter. I must confine myself to one specific matter and it is the matter of fees which it is proposed to increase. This decision as regards Government High Schools to enhance the existing fee-scale is supported on four or five distinct grounds. In the first place the idea seems to be entertained that the existing scale of fees is low and might reasonably be raised.

In the second place it is urged that the fee income in Government High Schools does not bear a fair proportion to the total expenditure on them. Thirdly, it is said that a considerable addition to the existing expenditure is necessary in order to improve the efficiency of these schools:—the scale of pay of Assistant Masters has to be revised; new buildings have to be constructed, and enlargements and extensions have to be made to the existing buildings; hostels, libraries and playgrounds have to be provided for in some schools and the equipment in others requires to be improved and so forth; and it is recommended by the Divisional Commissioners and the recommendation is accepted by Government that a part of this expenditure should be met by an increase of fees. But the strongest ground on which the increase has been decided on is that it is the one effective measure to reduce the existing pressure on the accommodation available in Government High Schools. There is a constant demand for more and more accommodation in these schools, but such increased accommodation it is impossible to provide in future years as in the past, and therefore to put a limit on this demand and to diminish the pressure on the existing accommodation in these High Schools it is held to be necessary to raise the fees. Further, we are told such enhancement of fees is desirable as a stimulus to private effort in the field.

I will take these several arguments one by one. The first is as to the lowness of the existing scale of fees. To put the argument to the test of figures—I find on examination that the average rate of fees levied in Government High Schools comes to about Rs. 25 per scholar per year; in Aided High Schools Rs. 16. In Native States High Schools it is a little over 16 rupees. In unaided institutions the rates are a good deal higher and vary largely, but we have nothing to do with this class of institutions in this argument. Taking the Government and Aided High Schools as well as Native States Schools together, the rate is about Rs. 18 a year per pupil. Let us see how it compares with the scale of fees in other Provinces. I have here a table copied from the latest quinquennial Report on Education in India by Mr. Orange, Director-General of Education. From this it appears that the fees we pay here are much higher than are paid elsewhere. The figures are these:—In the Central Provinces and Berar it is Rs. 7·9; in East Bengal and Assam Rs. 10·1; in the Punjab 12·0; in Bengal Rs. 12·3; in the United Provinces Rs. 15·2; in Madras Rs. 15·6; in Bombay the average is Rs. 18 and

Rs. 25 in Government High Schools. This is how our rates compare with those in other Provinces in British India. But there are other indications to show that our existing fees are not so low as they are considered to be. Taking the Income Tax Returns, we find that out of a population of 18 Millions in this Presidency only one lakh have an income of Rs. 500 and over a year. The rest of the population has an income of less than Rs. 500 a year or about Rs. 40 a month. Now for a person with an income of Rs. 40 a month or under—and such persons are the vast majority—to pay Rs. 4 or 5 as school fees for his children in the High Schools month after month, is it, I ask, a small sacrifice? The sacrifice is great and the struggle is hard. But there is another piece of evidence too to show that our fees are not so low as they are thought to be. The Provincial Committee of the Education Commission of 1882, which included among its members Sir William Lee-Warner and the late Mr. Justice Telang than whom we had no abler educationist on our side, expressed the view that the fees levied in the High Schools in Bombay were as high as the people were able to pay. Thus it will be seen that our existing fees are not so low and ought not to be enhanced. As it is, the struggle for the poorer classes of people is hard enough and ought not to be laid harder in this Presidency than in other Provinces in British India. But in the second place it is urged that the fee income raised in Government High Schools does not bear a fair share to the total expenditure on them. Let us test this argument too from a statistical point of view. Taking the Government High Schools together, we find that the fee income is no less than 54 per cent of the total expenditure—more than half. In the case of fourteen of these High Schools the fee income is full 63 per cent. In other Provinces the proportion is much less. It was pointed out by Mr. Oxenham, formerly Principal of Elphinstone College, in his evidence before the Education Commission that the average fee receipts at Oxford did not amount to more than 13 per cent of the total expenditure; this was in reference to the Colleges, elsewhere the proportion was a smaller proportion. Here in our High Schools our ratio is more than 50 per cent. In the case of 14 out of our existing 20 High Schools, it is nearly 64 per cent. If the fees are enhanced 40 per cent, these 14 Government High Schools will be entirely self-supporting, and there will be not a pie required to be paid on their account out of the Provincial Revenues. Thus the second argument about the existing fee income of Government High schools not re-

presenting a fair share of the total cost does not seem to be correct in fact. But we are further told in this connection that a considerable addition to the present expenditure is required in the near future with a view to improve the efficiency of these High Schools which are to be maintained as model institutions. New buildings have to be provided, the existing ones to be enlarged, hostels, libraries, laboratories to be provided and equipped,—all this requires a good deal of non-recurring expenditure. On the very face of it, it would scarcely be right to add permanently to the burden of pupils' fees with a view to meet such a non-recurring charge. Besides, fortunately for us and for our revenues, we have a large Imperial grant for such non-recurring charges on account of Education, and Government has been kind enough to accede to our proposal that a part of such expenditure may be provided out of that grant. So the need for such non-recurring outlay on the improvement of the High Schools no longer furnishes any ground for the decision to raise the fees. But it is said a considerable addition to the recurring expenditure is also necessary to improve the scale of salaries of teachers, etc. Now only recently the scale of pay of High School Head Masters has been revised. The scale of pay of Assistant Masters is also under revision and a certain assignment is put in in the coming year's Budget for the purpose. Such recurring charge is estimated in the Press Note at Rs. 34,000 and it is proposed to meet it by raising the fees. I submit that this additional recurring expenditure which is held to be necessary may well be borne out of the general revenues of the Presidency. Provincial expenditure on Government schools during the past 15 years shows an increase of a trifle over 34,000 or about 2,000 a year—a meagre increase. In view of the present improved condition of our finances, the new charge on account of Government High Schools may be met out of the general Budget and there should be no increase of fees for the purpose. It is worth noticing in this connection that while Rs. 34,000 are required, the enhanced burden of fees if raised 50 per cent will come to Rs. 94,000 in Government Schools and Rs. 1,40,000 in aided High Schools, together Rs. 2,34,000. But the strongest ground urged for enhancing the fees is on account of additional accommodation. Government have been pressed from time to time to increase the accommodation in the High Schools. Government have increased such accomodation in past years, but in the future we are told that it is impossible for Government to do so and it is necessary to declare for the information of the public that

Government cannot undertake to make provision in future years for all the boys who may seek education in these schools. That is the recommendation of the Divisional Commissioners and it has met with the approval of Government. The numbers in the Government Schools should in the first place be limited by positive orders, each school being allowed a definite number of pupils. In order to check further the growth of numbers, it is proposed to increase the fees. Here a well-known economic principle is adopted. If you want an effective check on demand, raise the price of the article and restrict the supply. So this decision to enhance the fees aims at not only diminishing the pressure on the accommodation available at present in the schools, but also at applying a further check to the rush of pupils for Government Schools. The effect of such enhancement of fees however will not be confined to the Government High Schools. It must extend to all Aided High Schools to which grants-in-aid are allowed on condition that the fees in them should be two-thirds of the scale obtaining in the Government Schools, and it is insisted on in the Press Note that these aided schools should likewise increase their scale of fees along with Government Schools. The operative effect of such increase of fees will also reach unaided institutions which will follow suit. And thus the cost of secondary education must go up all round. The enhanced fees will affect the number of pupils in Government Schools and there will be a like effect in the aided institutions. In the unaided institutions we do not know what may happen, but they too will raise their fees and the number of High School students will in all likelihood fall off considerably all round. Now I seriously ask, is it a just arrangement to reduce the number of those seeking admission to High Schools? Will it not retard the progress of higher education in the Presidency? If the attendance in the High Schools falls off as a consequence of these measures, as a necessary corollary it will affect attendance in the Colleges and higher education must suffer in the Presidency. Such seems to be the almost certain effect that must follow this contemplated enhancement of fees in High Schools, and if I am right in my apprehensions I am sure the Council will agree with me that it is a thing most earnestly to be deprecated. Higher Education, Your Excellency, is one of the greatest blessings we owe to British Rule—the spread of western education and culture. Next to the universal peace that we enjoy, this is the blessing that we value most. It is the one blessing which has done so much to confirm, strengthen and deepen the loyal and loving attachment

of the people of this country to the British connection; and I ask—in all seriousness—is it proposed in this blessed year which is to witness a grand and unique ceremony in India—the Royal Coronation—is it proposed to adopt a measure calculated and almost certain to retard the progress of higher education in the Presidency which we so highly value and appreciate? Is it seriously proposed to reduce and circumscribe the one advantage we prize so much under British Rule? If that is so, I earnestly hope and trust that this enlarged Council representing as it does the better mind—the higher opinion—the more enlightened view—of this Presidency will not give their support and countenance to any such retrograde measure which is fraught with such serious consequences to the progress of higher education in the Presidency.

But, Your Excellency, this whole question has also another aspect—it is as it affects the poorer classes. The cost of higher education is steadily going up; and the dearer higher education is, the harder will be the struggle with the poorer classes of students. The High School stage is a necessary stage leading on to all higher courses of study in Arts, in Science, in Law, in Medicine, in Engineering, in Agriculture, etc. And an arrangement which tends to shut out the poorer classes from these higher courses of study stands condemned as excluding them from higher career in the Public Service and the professions. It is a radically unfair system which makes higher education more and more a monopoly for the richer few to the exclusion of the poorer many. It militates against the equitable principle of equal opportunities for all in the race of life. I know the struggles of the poor in this matter of education. I am a poor man myself. I was a poor student in my day. I know their hardships and I speak from experience on the point. Many a student begs and starves—pays the cost of his education, pushes on his way to a University degree and attains to a higher career in the Public Service or in any of the learned professions. I know of a number of students at Poona at this very moment who are in such an unfortunate predicament. As it is the struggle with such students is already hard in all conscience and I would earnestly appeal to Government not to make it harder by enhancing the fees as proposed. The measure is one which as I have shown is financially unnecessary. Government expenditure during the last 15 years on these High Schools has advanced only by Rs. 34,000 or at the rate of about Rs. 2,000 a year That has been all the addition to Government expenditure on Government High Schools—a most meagre addition

in respect of this branch of education. And about the pressure of the Government High Schools, I may just remind the Council that it has not been so overwhelming as to necessitate a restrictive measure of this kind. What has been the extent of this pressure during the past 15 years? I have looked into the Reports and find that since the year 1894–95 the increase in the number of scholars in Government High Schools has been but 950—not even full 1,000, while that in the aided and other institutions has been something between 7 and 8 thousand during the period. Thus the numerical increase in Government High Schools has been only about 60 pupils a year. And this is the extent of the pressure which it is now sought to reduce by the enhancement of fees and in other ways. That is the recommendation of the Divisional Commissioners submitted to Government in their joint Report and on which Government bases its decision. Clearly matters are not viewed in their proper light; and on behalf of the poorer classes who form the bulk of our population—in the name of Higher Education—as well as in the highest interests of the country's progress, I appeal to the Council not to give their support and approval to such a measure as this—so unnecessary—so unfair—so unjust—and so retrograde, and above all so fraught with serious consequences to the balanced advance of higher education in this Presidency. With these words I beg to move my resolution which runs as follows:—"That Government be pleased not to raise the scale of fees in Government High Schools."

Honourable R. B. G. V. Joshi was strongly supported by most of the non-official members of the Council. In replying to the criticisms passed on the resolution, the Honourable Rao Bahadur Ganesh V. Joshi said:—

Your Excellency,—We have been told that this is a small matter made much of—I mean this matter of fees—and that the question involves only a payment of Rs 2 or Rs. 3 as school fee. It is no doubt a small matter, but behind this small matter there is a very large and very important question of British educational policy in this country. Higher education has its claims—I would say, peculiar claims—on the support of the British Government in the country. The State here, as my Honourable friend Sir Pherozeshah has pointed out, holds itself to be in the position of a universal landlord and is bound to fill the place which the landed aristocracy in England and other countries so worthily fills. It is bound to provide not only for primary education but also for all higher stages

of culture and education. Education in all its grades is an organic whole. All its various branches must advance together, or else there could be no healthy movement; no branch could be starved without injury to the harmonious development of the whole. Referring to secondary education the Honourable Mr. Sharp has told us that a stage of development has been reached in the progress of education in this Presidency at which it is necessary for Government to decide how far it is prepared to accept indefinite obligations for future expansions. The pressure is already great and grown. As primary education develops, secondary education must grow and expand with it. Government has no money to spare for any such further developments, and it is necessary for Government, says the Honourable Mr. Sharp, to definitely declare its policy in the matter. I ask, has such a stage been reached? Is the time come for any such definite enunciation of State policy in this regard? What is the actual state of things? What is the extent—what is the present state and stage of development of secondary education in this Presidency? We are just at the beginning of things. We have but six lakhs of children in the primary stage, no more than 20 per cent of the number of school-going age. Then, there are about 37,000 pupils in the secondary stage or say one pupil in sixteen under primary school instruction and about 4,000 students in the colleges for a population of 18 millions. Is this the stage of educational advance which fills the Head of the Education Department with alarm and apprehensions for the future? As to secondary education of the 37,000 pupils, only 7,500 are in the Government High Schools. The increase in the number during the past 15 years has been no more than some 950 pupils or 60 pupils a year. Is this the rate of expansion which causes such alarm to the mind of the Honourable the Director of Public Instruction and makes him wish that Government do definitely declare once for all what obligations they are prepared to accept in the matter in the future? To provide for 60 pupils a year or for that matter 100 or 200 more boys in a year in Government High Schools, does the Honourable Mr. Sharp regard the prospect as something alarming? Besides, Government is not alone in this field. Private enterprise is coming to its aid and supplementing its efforts to an extent which ought to be satisfactory to Your Excellency and to Your Excellency's Government. The number of private high schools has increased from 37 to 50 and the number of scholars shows an advance of over 7,000 as against 950 in Government High Schools. Private

enterprise is thus already in possession of four-fifths of the field. But again we are told we must look to the future. Secondary education must expand with the expansion of primary education. So it must, but as a matter of fact it shows no such expansion during several years past. The number of pupils in the high school stage is not keeping pace with the growing numbers in the primary, while the number of students in the colleges has been all but stationary. Under such circumstances and at such a stage of progress at which Government is expected to do more—a vast deal more than it is doing in this matter—is it right, I ask, for it to declare that it cannot undertake unlimited liabilities in regard to future developments? And say that it cannot undertake to provide for all boys who may desire English education in its institutions? Further, is it the right time to adopt a measure—increase of fees—which must reduce the number in the high school stage and throw back the progress of higher education in the Presidency? The spread of Western education and culture is, as I said before, one of the things we most value and supplies the one leverage which alone will enable the British Government to fulfil and carry out its higher mission in the land—to uplift the masses to a higher plane of life and culture and well-being; and yet it is seriously proposed to arrest its onward movement and do injury to the cause of higher education. I do not know exactly the number of persons in the Presidency who have received English education, I do not think they are many. In all India the number is not even 10 lakhs. I really do not know—why such questions should be sprung upon us as surprises. Is not the public of this Presidency entitled to be taken into confidence before final decisions are come to on such important questions? An official conference was held; the Divisional Commissioners met; they deliberated and discussed these matters—all in camera; they made their recommendations in a joint report; and now a final decision has been thrown upon us all of a sudden on a most momentous question. It is stated that this increase of fees is intended—among other things—to clear the way for private enterprise—and to offer a much needed incentive to private effort in the field. If that is the object aimed at, it cannot be effectually secured by limiting the number of students in Government High Schools as Government proposes to do. After such a limitation as this of numbers, is it further necessary to enhance the fees as a check to admissions to Government High Schools? But leaving the Government High Schools alone,

is it necessary to impose upon private schools the further obligation of increasing their fees *pro tanto*—in same proportion that they are raised in Government schools—as a necessary condition of the grants-in-aid ? Lastly, there comes the question of funds. More money is needed for improvement of these high schools which are to serve as model institutions each in its own district. And the Honourable the Director of Public Instruction says, Government has none to spare—all the available funds must go to primary schools and it is accordingly proposed to levy the additional funds required from the students—as the money must come from some source. And we are assured that all the increase of receipts so secured will be ear-marked for the purposes of improvement in the schools. The assurance is no doubt satisfactory as far as it goes, but I do not know how far such an obligation may be accepted in future years. Such an obligation will no doubt be recognised by the Government of this Presidency as it is at present constituted, but there is no rule—no Budget rule or financial regulation—that I know of, under which any portion of general revenues can be so converted into a fund for a specific object—like the famine insurance fund. As regards expenditure, the question which I wish to ask is, is not Government bound to spend more on its high schools than it is at present? Are the limits of such expenditue reached? And how much Government is actually spending on these institutions? A bare 1½ lakhs! As I have said the increase during the past 15 years in Provincial expenditure on these high schools has only been 34,000 rupees—Rs. 2 000 a year. Is that a sufficient contribution from the general revenues of the Presidency towards the maintenance of these schools which are intended to be model institutions in the districts? Is this the scale of expenditure which Government is going to fix for future years? And if Government is not going to increase the expenditure out of its general revenues, the needed money must come from the pockets of the students! I trust the Council will never approve or accept any such view. As far as the poorer pupils are concerned, I will say this, Your Excellency, that poverty has many disabilities, but there is none harder or severer than this which debars them from aspiring to higher things—higher culture, higher degrees, higher careers in the Public service and in the professions. The struggle is already hard. And I appeal to Your Excellency's Government and to the Council not to make it harder than it is at present. I know it is hard and I speak from experience as a poor student myself and as representing the poorer classes

of the community in this Council—and I appeal to Your Excellency not to enhance their burdens in this way. The high school stage is an absolutely necessary stage to a University career, and unless the student goes on to it, the portals of the colleges are closed upon him ; and if his way to the high school stage is barred, the result must be very serious for him indeed. He cannot get higher. Already there is a tendency among the students to struggle somehow through the high school course and then drop off. During the last 5 or 7 years the number of students in the colleges has been almost at a standstill, though the number in the primary and the higher schools is going up. This is one indication among many as to how hard it is already for poor students to proceed to University, and I may be allowed to repeat my request to the Council to support me in my appeal to Government.

[The resolution was put to vote and was lost by 15 against 19.]

PATASTHAL IRRIGATION IN THE DECCAN.

At the meeting of the Legislative Council held at Bombay on the 15th March, 1911, while moving the resolution which stood in his name the Honourable Rao Bahadur Ganesh V. Joshi said :—

The resolution which I have been permitted to place before the Council runs thus :—

"That Government be pleased to encourage the extension of Patasthal Irrigation in the Deccan by—

(1) abolition of Patasthal assessment where it is still levied ;

(2) advances of Tagai and free grants to village communities ;

(3) free provision of expert assistance."

The resolution has reference to a Press Note of 1907 on Patasthal assessment. Just as all our other resolutions are in the nature of recommendations to Government, so is this resolution also in the nature of a recommendation. But it is also something more. It is a respectful application, an appeal to Government to help the agriculturists and promote and encourage such irrigation in a tract where the question of irrigation is of vital moment to its agriculture,—I may say, almost a question of life and death to it—and this in pursuance of a generous policy which has been laid down in the Press Note. At the outset I may be permitted to say that my resolution is confined to communal pat works—works which are under the management of the village communities themselves—as distinguished from those pat works which have been taken over by Government and placed under the administration of the Public Works Department. As the Council is aware, the Deccan is an arid rolling upland, and as an irrigation tract, about the poorest in India.

The annual rainfall is scanty—below 30 inches—varying on an average from 40 inches in Satara to 24 in Ahmednagar. The rainy days average about 45—ranging from 70 in Satara

to 36 in West Khandesh. Even so, the rainfall is uncertain, and variable in its local and seasonal distribution, often deficient and unseasonable—and sometimes fails altogether. Usually one good season in three is the accepted seasonal standard for the Deccan. The last season, however, was the first good season for 20 years preceding. On a rough seasonal analysis, I find that during the past half century (1860-61—1909-10) there were ten good years, ten average seasons, nine years of severe drought and famine, and twenty-one years of insufficient or ill-distributed rainfall causing more or less damage to the crops and in some cases necessitating State relief. Surely, no agricultural tract is more exposed to such violent fluctuations of the seasons—except perhaps Ajmer-Merwara and certain districts in the central Punjab—and none stands in greater need of protection by artificial irrigation in all India. And yet no tract enjoys less of such protective irrigation—so essential to the stability, certainty and efficiency of its agriculture. The total irrigated area was 522,851 acres or a trifle over 3 per cent of the cultivated acreage last year, leaving nearly 97 per cent of our cropping in the Deccan entirely dependent on the fluctuating annual rainfall. As a result, our Deccan cropping is for the most part poor and miserable, and our crop-losses have been enormous. On a rough calculation, the crop-losses of the past 30 years amount to no less than 200 crores. 200 crores of crop-loss—let alone loss of cattle—is a very serious matter, indeed, and is a painful reminder of the urgency of extended irrigation in these dry agricultural zones. The irrigation works comprise—Government works, cannals and tanks. Individual Ryot's works—wells and embankments.—Communal Irrigation works.—Government works, cannals and tanks such as the Nira and Mutha and Krishna canals, Ekruk and Mhasvad tanks, etc.,—works begun for the most part as relief works under the stimulus of famine and completed during the past half century (capital outlay 265 lakhs) do a deal of good to the agriculture of the districts irrigating 90,000—115,000 acres—the capital outlay per acre being over Rs. 200. Projects involving capital expenditure of about 17 crores have been drawn up calculated to irrigate about 20 per cent of the total cultivated area of the Deccan. Considering however the small yearly allotments for protective irrigation works received from the Imperial Exchequer out of surpluses whenever available and not from loan funds, it is to be feared that we shall have to wait many years before any of these projects are put in hand. Even so all the irrigation that could be so supplied would

suffice only for a fraction of our area. Well-irrigation represents individual enterprise. It is exempt from assessments—on the principle of non-taxation of private improvements. Much has been done late years to encourage the extension of such irrigation. Liberal aid in the shape of takavi and grants has been given to the enterprising cultivators for the sinking of new wells and repairs to old. Professional advice, too, has been freely at their disposal. Under such stimulus, the number of irrigation wells in the Deccan districts has risen during the past 20 years from 107,011 to 156,422—an increase of 49,411 of which no less than 35,000 are pakka masonry wells. The total area under well-irrigation is about 350,000 acres or 2 per cent of the cultivated acreage. Physical conditions, however, are against any large extension of such irrigation in the Deccan. We have no underground sea here as in the United Provinces. The geological formation is trap and basalt, and the subsoil water supply is always uncertain, scanty, and variable and often is not available at workable depths. A well in the Punjab irrigates about 11 acres in a normal year, in the U. Provinces 4–5 acres. With us, the average irrigated area per well is but 2–3 acres. Besides the cost of water lift is very heavy—R. 25-30 per acre. All things considered, the well-irrigated area must be a limited area in the Deccan districts. We have only 103 irrigating tanks in the Deccan irrigating about 5,000 acres. We have numerous tanks in Gujarat and in the Carnatic, but only a few in the Deccan. They seldom fill in the rains except in years of good rainfall; and even if full in the rains, will not hold water long in the fair season. There is excessive leakage through murrum and trap. Field embankments—Tals—to hold up rain water—are to be met with here and there, but are not very general on our side. This brings us lastly to Pat works. Pat irrigation is channel or weir irrigation. It is in the Deccan the most effective means of utilizing for purposes of irrigation the surface rainfall supply. It is comparatively a cheap system of irrigation, from streams and nalas, and offers the largest possibilities of extended irrigational protection for our Deccan districts. But the existing heavy Patasthal assessment blocks the way. Pat irrigation is channel irrigation, and like well-irrigation depends on local rainfall. Weirs are thrown across streams and rivulets, and channels laid out, skirting their sides and following the lie of the ground, to lead the water from them on to the fields. These Patasthal works are either permanent or pakka, or temporary or kachcha. The permanent Pat works

are strong solid masonry works and cost from Rs. 1,000 to Rs. 5,000; the temporary are on a much smaller scale, usually built of mud at a cost of about Rs. 20 to 25, and renewed every year after the rains. They irrigate—particularly the pakka works—considerable areas. For instance, the Narayangaon Pat in the Poona district waters as many as 400 acres, the irrigating channels being over 2 miles in length. The water supply for these works lasts two or three months after the rains and serves to ripen the garden crops or, in dry seasons, save the rabi. Sometimes it supplements the well supply. Throughout the Deccan, these Pat works are for the most part communal works constructed and maintained, repaired and renewed by the villagers by their own joint-labour and at their own joint expense without extraneous aid. Both the weirs and the water-courses require constant care and attention; damages and breaches often occur; and it involves no little labour to keep the channels clear of silt. At one time these Pat works were most numerous all over the Deccan upland—the general lie and configuration of the land and the numberless streams and rivulets which seam the country in all directions, favouring this kind of irrigation. Khandesh was "par excellence" the tract of the Pats—there was not a stream or a nala of any size without a weir thrown across it and channels cut to take the water on to the fields. Traces of such works still remain all over the zilla—ruined masses of over-turned masonry, foundation holes cut in the sheet rock and some with stone uprights set in them—sad memorials of a time that is past. Even now many of these Pat works exist. For instance, in the Nasik district we have as many as 906 bandharas on the Goda and its tributaries—275 of which are strong good works. In the Junnar taluka of the Poona Collectorate—156 villages—there are no less than 460 irrigating weirs. The decay of these works is variously accounted for. It is due partly to the break-up of the old village organisation and with it the decline of the communal spirit—partly to the growing poverty of the rural classes—but chiefly, as would appear, to the pressure—in some cases the crushing pressure—of the Patasthal assessment. In various parts of the Khandesh Collectorate the villagers prefer to go without the pats rather than pay the heavy water rates demanded. In the Chalisgaon taluka for instance the people have resigned their rights to the Bandharas rather than agree to the heavy assessment laid on such irrigation. The decline in this kind of irrigation—which at one time was the sheet-anchor of the agriculture of

the Deccan—may be gauged by the fact that we have at present barely 50,000 acres irrigated from such works. The works which still exist are for the most part either out of repair or have fallen into disuse or have been abandoned. The Patasthal assessment levied on these works forms an integral part of the ordinary land revenue and is consolidated with it. It is fixed on an average and is like the other land revenue leviable irrespectively of the actual water supply available. And thus once laid on, this Patasthal rate is levied on the land so assessed—whether the Pat exists or not, flows on or is dry, and whether the ryot uses it or no—during the whole period of the settlement. The maximum rates range from Rs. 18 and Rs. 15 per acre in Bagalana in the Nasik Collectorate, Rs. 10 and Rs. 8 in the Khed taluka in Poona to Rs. 8 in Khatav and Tasgaon talukas in Satara. They are for soil and water combined and work out on an average from Rs. 8-15-5 to Rs. 4-11-11 in the Satara taluka. In several cases they are heavier than even the rates charged on Government canals under the Irrigation Act. The Irrigation Department constructs its own works out of State funds and levies the rates on the water supply so rendered available in the form of a crop rate. The crops are classified according to the amount of water required and the period for which it is required, and the charge is collected in full only when a full supply is given. The irrigation rates are thus graduated according to the supply and are self-adjusting according to the vicissitudes of season. When no supply is asked for and none is given or can be given, there is no levy of the rate. It stands apart from the ordinary land revenue and is strictly a payment demanded for a specific service rendered to agriculture. The case with the Patasthal assessment is otherwise. The Pat works are the people's own works—no charge being borne on their account on State revenues for construction, maintenance or repair. The water supply is a fluctuating supply—the rainfall surface supply—dependent on the seasons, sometimes plentiful, at other times deficient. In some cases it also happens that the ryots are unable through stress of circumstances to make a full use of such supply even when available. These and other considerations are put on one side and the Patasthal assessment is imposed under the Land-Revenue Code for the "water" advantage as the rest of the land revenue is for the soil and is combined with it at the survey settlement. "Water" is the property of the State whether it is subsoil water or surface rainfall water, and whether it is utilised or not, is a natural

advantage within the reach of the cultivator and is charged—the Pat supply in the Deccan and the subsoil water advantage in Gujarat. And it is leviable like the ordinary land revenue for the full term of the survey settlement. There is, however, this difference between Gujarat and the Deccan. While in Gujarat the subsoil water rate is light—half an anna or so per acre,—in the Deccan our Patasthal rates are as heavy as the canal rates charged under the Irrigation Act, if not heavier. The result is deplorable. Patasthal irrigation has almost ceased under the pressure of such heavy assessment in many parts of the Deccan. In Khandesh, once pre-eminently the district of the Pats and Bandharas, such channel-irrigated area is now just 659 acres! In Nasik, the next best Pat tract, it is 2,337 acres. The total area in the Deccan so channel-watered is 48,965 acres. The rigour of the system however has been in recent years modified in two different directions. In places where the water supply has ceased or seriously deteriorated, the Pat assessment has been wholly remitted—a most welcome relief to the village communities concerned. There is now not a Pat in the Deccan—so the Honourable Mr. Pratt assures me—where the water supply has deteriorated—or has failed—and yet where Patasthal assessment is levied. And it has been ruled that such remission should invariably be granted wherever the supply is found to fail. The Pat assessment has been abolished in most of the precarious areas in the Presidency, *e. g.* in Sholapur and in several exposed talukas of Nasik, Nagar, Poona, Belgaum and Dharwar—a generous concession which is most appreciated, and, what is still more, a broad and liberal policy has been announced in reference to such Patasthal assessment in the Press Note of April 8, 1907. My present appeal is for a general extension of this generous policy to all parts of the Deccan. They may not be all in the strict sense "precarious," but all lie in the exposed agricultural zone liable to all the distributing vicissitudes of season and deserve equally sympathetic treatment. The total area so irrigated in all the Deccan districts does not exceed 50,000 acres. The sacrifice of revenue involved in such abolition of Patasthal assessment will be but small and will be far out-weighed by the solid advantages that would accrue to the agriculture of the Province from such generous concession. As it is, this Patasthal assessment is opposed to the general policy of Land-Revenue in India. There is the standing principle accepted in all settlements of non-taxation of private improvements. Motasthal or well-irrigation is exempt

from all such assessment on the ground that it is private improvement. Patasthal is equally private, non-State improvement and stands precisely on the same logical footing; only it represents the outcome of communal as distinguished from individul enterprise: and viewed in this light it ought not to be taxed. The State contributes nothing to the cost of such Pat works which are entirely built and kept in repair by the joint labours of the village communities; and it only claims to tax such irrigation by virtue of its proprietary rights to water which however, but for such communal enterprise, would be flowing uselessly down to the sea. The Pat taxation thus rests for its justification on the assertion of an abstract right on the part of the State—and in the supposed general interests,—to a natural advantage which the ryots have so much to do to be able to utilise for agricultural purpose. Such taxation of communal private improvement has had a most discouraging effect; it is felt to be unjust. It has all but wiped away this class of irrigation off the Deccan upland. 50,000 acres is all that now remains of what once was the general widespread system of irrigation in the Deccan. And it is this heavy taxation which still stands in the way of the revival and extension of such channel-irrigation in this arid tract. Looking to the general agricultural conditions, it will be admitted that it is essential—indispensable to the stability and success of our agriculture—that there should be the widest possible area with such irrigational protection, and as Pats are the most effective means of affording such protection, the prayer is addressed for the favourable consideration of Government that the assessment be taken off. It might be argued that the remission so asked for would be a special concession only to a small body of cultivators and that too at the expense of the general tax-payer. But the taxation once taken off, the irrigation is certain to extend more and more and the whole general population would come in for its due share in the resultant benefit. In the United Provinces and in Bengal there is considerable irrigation of this kind. Numberless *Ahars* and *Pains* which correspond to our Pats exist all over the country leading the water from minor rivers and hill streams to the fields. But no such assessment is laid on and the cultivators are free to utilise such water supply exempt from all liability to pay for it. In the arid tract like the Deccan, where there should be the strongest stimulus to the ryots to utilise for their fields every drop of the surface rainfall, there is all the stronger reason that no such taxation should exist as an impediment in the way. Mr. Mollison, Inspector-

General of Agriculture, India, is strongly opposed to the retention of this Patasthal assessment. "I would do away," he said in his evidence before the Irrigation Commission (Vol. III, page 110), "with the whole system of charging for the use of water from nalas and subsoil water everywhere," and when it was suggested to him that water was the property of the State, he exclaimed, "you give it free for men and cattle to drink and you refuse it to the thirsty land. I would only charge where Government incurs the cost of the Bandharas"—not only in the Deccan but everywhere in the Presidency. On these and other grounds and in pursuance of the general policy laid down in the Press Note of 1907, it is asked that Government may be pleased to abolish this Patasthal assessment where it is still levied. The remission would afford relief where it is most needed, and serve as a stimulus to communal improvements. Further, as in the case of well-irrigation so in the case of Patasthal, every encouragement may be given to the village communities with a view to its widest possible extension—and this in accordance with the recommendation of the Irrigation Commission—by liberal Tagai loans for the purpose, free grants of money in aid where required, and free professional advice in the alignment of channels, the choice of sites for their head works, etc. So encouraged and stimulated, Pat-Irrigation would be what it once was, the main-stay of the agriculture of the Deccan. It would change the whole aspect of our Deccan cropping—changing it from precarious to assured cultivation—and help to promote agricultural improvement.

The Deccan has suffered during the past half century as no other Province in British India has suffered—for want of irrigational protection—and it is earnestly to be hoped that Government will be pleased to grant the concession prayed for.

In the course of the debate, the justice and force of Hon'ble R. B. Joshi's arguments was practically admitted, even on the official side. While replying to the criticisms passed on his resolution the Honourable Rao Bahádur Ganesh V. Joshi said :—

Mr. Vice-President,—I have first to tender my thanks to those honourable members who have spoken on the subject for the very friendly way in which they have criticised and commented upon my resolution. Now in regard to the speech of the Honourable Mr. Carmichael, I may point out that

at the outset of my speech yesterday I made a distinction between Pats maintained by Government and Pats managed by the village communities, and I further said that my resolution was intended to apply only to those Pats which were the work of the village communities and under their management and not to those which have been taken over by the Public Works Department. As regards the history of the Pats I may be wrong. I may have been wrong with regard to the Narayangaon work in the Junnar taluka. But taking the Pats as a whole in the Deccan,—which are very numerous—there are only a few which have been built by the rulers in former times, the majority are the work of the villagers themselves—including all those kachcha Pats which are renewed year after year. As regards the rates levied, I still hold that they are high and prohibitive. These rates are not for any work carried out by the State from State funds ; but they are levied by virtue of the proprietary right over the water which vests in the State or is held to vest in the State—as representing the general tax-payer. There is subsoil water in Gujarat, but there this natural advantage is taxed in a most light manner—half an anna per acre or so. Here in the Deccan the maximum charge for the water advantage is Rs. 8 and over and the average comes to Rs. 4 or 5—sometimes less, sometimes more. There was a considerable discussion as regards the pitch of these rates as compared with the rates charged on State Irrigation works. Mr. Ozanne was then Director of Agriculture and Mr. Fletcher was Survey Settlement Officer. There was a good deal of controversy on the point. The Irrigation Department maintained that the Patasthal rates were as high as the Irrigation rates, if not higher. Taking the rates as they are on an average Rs. 4 or 5—the maximum rates vary largely ranging from Rs. 8 to Rs. 16, 18 and 20. I just forget where such maximum rates are applied, but they are quite as high in several tracts in the Deccan. I submit such high rates ought not to be charged simply for the natural advantage. They discourage Patasthal extension. As regards the remission of this Patasthal assessment in case the supply falls short or deteriorates, I am aware

of the rules recently laid down by Government and the remissions granted already in all such cases for which the cultivators are most thankful to Government. But the Pats on which these rates are still levied are not maintained by Government, nor are they under the management of the Public Works Department. Many of them are kachcha works consisting of mere mud walls and have to be repaired year after year by the villagers concerned and yet these water advantage rates charged on them are so high.

The Honourable the Vice-President reminded the Honourable Member that there were only two minutes left.

The Honourable Rao Bahadur Ganesh V. Joshi :—Only two minutes more. If time is allowed to me, I would read two sentences from Mr. Mollison's evidence before the Irrigation Commission and the Press Note of 1897 in support of my resolution. Mr. Mollson made a definite proposal to Government on the point and my resolution is simply a repetition of that proposal. In the Press Note, Government say: [Reads :—" In the opinion of the Government it would be far more reasonable to adopt the broad and liberal course of abolishing *patasthal* assessment altogether, etc."]

Here Hon. R. B. G. V. Joshi had to stop owing to the time limit.

[The resolution was put to vote and was lost.]

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